



Chevy Nova bows

The Chevrolet Nova, offspring of the General Motors-Toyota joint venture, went on sale in 25 Midwest states last week. The front-wheel-drive, four-door notchback is powered by a 1.6-liter L-4 engine. It will be sold nationwide beginning in the fall.

AMC offers free gas to Renault buyers

By Edward Lapham
Marketing Editor

American Motors has launched a "10,000 Miles of Gas on Us" incentive which will rebate up to \$595 to retail buyers of 1984 and 1985 Renault models.

The program requires a \$100 participation by dealers and runs from June 16 through July 31.

Essentially, the program is a just-off of 1970s-style gas crisis rebate programs, with a little different twist.

Under the program, Renault buyers will receive a check from AMC equivalent to the cost of enough gasoline to drive 10,000 miles.

The rebate computation formula uses EPA combined city/highway mileage estimates for each model to determine how much gas will be needed. AMC uses an estimated price of \$1.25 per gallon of unleaded regular gasoline to figure the rebate amount.

Since average fuel costs for 15,000 miles of operation are already included on the price sticker,

computing individual rebates is a simple matter of taking two-thirds of the posted fuel cost estimate.

The rebates range from \$338 on the most-fuel-efficient Alliance and Encore models equipped with the 1.4-liter engine and 4-speed manual transmission to \$595 on the Fuego with 2.2-liter engine and automatic transmission.

Peter G. Guptill, AMC sales vice president, said he expects the program to be successful.

"Our consumer research studies indicate that the '10,000 Miles of Gas' will have great appeal during the heavy-driving summer vacation period," Guptill said.

Ad support began Sunday with national television advertising on evening NBC and ABC news shows.

An AMC spokesman said car buyers will likely receive their rebate checks within four to six weeks after they file an application.

"We expect to be deluged," he said.

Early-June car sales climb to 7-year peak

By Jenny L. King
Detroit Reporter

New-car sales stayed aloft in the first 10 days of June without the aid of artificial drafts from the lower-interest-rate loans offered

buyers by most domestic makers in May.

In fact, June 1-10 sales reached their highest level for the period since 1978.

With five of the seven domestic makers reporting sales increases from their 1984 figures, the total for early June reached 216,565, up 15.96 percent from 186,762 a year earlier.

Only one other time in the past seven years has the total broken through the 200,000 barrier and that was 210,188 in 1983. The recent accomplishment was the best June 1-10 since 1978 when 283,274 new domestic cars were delivered.

General Motors and Volkswagen entered the winners' circle after several absences. GM sales were up 16.71 percent, to 129,594 from 111,037. VW reported an 18.65-percent gain, climbing to 986 from 831.

Chrysler Corp. was up 20.73 percent, to 28,184 from 23,345. Ford Motor Co. sales of 52,846 were up 14.34 percent from 46,218 the preceding year.

DOMESTIC SALES

	June 1-10, 1985	June 1-10, 1984
Renault		
Alliance-Encore	2,000+	2,650+
AMC	360+	600+
AMERICAN MOTORS	2,360+	3,250+
Chrysler	10,470	7,383
Plymouth	7,277	6,618
Dodge	10,437	9,344
CHRYSLER CORP.	28,184	23,345
Ford	36,944	30,648
Mercury	12,425	11,907
Lincoln	3,477	3,663
FORD MOTOR CO.	52,846	46,218
Buick	36,361	21,048
Cadillac	7,846	7,287
Chevrolet	38,029	32,635
Oldsmobile	31,333	35,338
Pontiac	15,025	14,729
GENERAL MOTORS	129,594	111,037
VOLKSWAGEN	986	831
HONDA	1,845	2,081
NISSAN	750+	0
U.S. INDUSTRY TOTAL	216,565	186,762

By Estimate

Please turn to Page 61, Col. 4

Packages replace laundry list

Only 8 'options' for Chevy Nova

By Edward Lapham
Marketing Editor

The Chevrolet Nova is a marketing precursor as well as being the first product of the General Motors-Toyota joint venture.

Instead of the usual laundry list of options and option combinations, Nova is available in just eight option-package configurations, including the base package. Four packages are standard trim level and four are the Custom CL level.

Thomas A. Staudt, Chevrolet general marketing manager, said the division will "experiment" with this option ordering procedure on other 1986 car lines this fall.

"There won't be a revolution or anything this fall," Staudt said, "But we are going to try it in a few experiments."

Starting package-option marketing on the Nova was a natural because it is more like the way imports market options and less like the traditional domestic procedure. And Nova's target market buyers are import shoppers.

Staudt said he would like to see the procedure spread because it saves time and money and simplifies the ordering procedure.

"Every time you make car buyers make a decision, you put another roadblock in the purchase process," Staudt said.

"If we were smart, we would just tell the dealers what they were going to get and ship them the cars."

Even the base Nova package is dressy by domestic standards, with AM radio, all-weather tires and body side moldings.

The top of the line option package includes electronic AM/FM stereo radio and cassette player with Seek and Scan, plus automatic transmission, power steering, air conditioning, power door locks, electronic speed control, intermittent wipers, remote left-side mirror, electric rear window defogger, halogen headlamps and the CL trim appointments.

Production planning built a number of full-dressed models for the launch, but the average Nova price for the run was \$8,821, including the \$290 destination charge. That is toward the high end of the spread between the base price of \$7,195 and the top-end price of \$9,815.

Although the average price of the Nova is toward the high end of the range and indicates a good concentration of upper-line packages, Staudt does not believe the Nova launch will suffer the same fate as the Cavalier launch in 1981.

The J-cars, also slotted to compete head-to-head with imports, were loaded "because that's the way import buyers like them."

As a result, they were also very pricey and met market resistance.

Chevrolet was forced to go to a much leaner production mix in order to compete.

Staudt said he believes the slow Cavalier launch was the result of a number of factors, not just the oft-cited option-mix snafu.

He said an underpowered engine, cold-start difficulties and availability problems all contributed to the sluggish J-car launch.

Staudt also said that seemingly

high days-supply numbers for the Isuzu-built Spectrum and Suzuki-built Sprint do not indicate a soft launch for those models.

Spectrum had an 85-day supply on June 1 compared with 103 days on May 1 and 91 days on April 1.

Sprint had a 66-day supply on June 1, compared with 41 days on May 1 and 42 days on April 1.

Staudt said there has been "insufficient ad support" for the two new imported small cars and that they are just now "gaining strength from owner testimonials."

He also said that they are still "available only in limited numbers" which means that dealers are not delivering the units they have in inventory because they want to keep them on the showroom floor.

"As soon as availability increases, there will be more turns on inventory and the days-supply numbers will go down," Staudt said.

Chrysler plans truck venture with Mexican firm

DETROIT.—Chrysler Corp. plans a joint venture with Mexico's Grupo Industrial Ramirez to build medium-duty trucks in Monterrey, Mexico, beginning in the 1986 model year.

The agreement, as yet unapproved by the Mexican Government, would allow the transfer of Ramcharger production to Chrysler's Mexico City plant, which currently builds medium-duty trucks.

The Ramcharger has been produced in Chrysler's plant in Warren, Mich. Warren is being converted to build Chrysler's 1986½ N-truck.

If approved, Chrysler said the joint venture will produce trucks for Mexico and for export to other markets in South America and Asia. At present, Chrysler does not sell medium-duty trucks in the U.S. or Canada.

'Hybrid' Nova on sale in 25 Midwest states

By Edward Lapham
Marketing Editor

The 1985 Chevrolet Nova, the first native offspring of the General Motors-Toyota liaison, officially went on sale in 25 Midwest states last Thursday.

Due to an unexpected early boost in production rates at New United Motor Mfg., Inc., 7,000 cars were in dealer inventory by the June 13 intro date.

However, after the initial stock is depleted, "there will be a wait for cars," according to Chevrolet officials.

The only current body style is a four-door sedan with 1.6-liter L-4 engine, although Chevrolet officials promised "pretty exciting derivatives" in the future.

A five-door hatchback is scheduled to go into production in late August.

The subcompact four-door sedan has a wheelbase of 97.5 inches. Overall length is 166.3 inches and curb weight is 2,162 pounds.

The initial sales goal is for more than 100,000 units annually after full production rates are achieved.

Thomas A. Staudt, Chevrolet general marketing manager, said he believes most of the Nova sales will be conquests.

The Nova ad tagline, "The Best of Both Worlds," sums up Chevrolet's approach to marketing the cars.

Nova, built on a modified Toyota Corolla platform with all-new sheet metal, is designed to compete with imported makes and is targeted at a market segment with high import purchase predisposition.

Chrysler to expand factory for P-cars

STERLING HEIGHTS, Mich.—Chrysler Corp. this month will start expanding its assembly plant here to allow the additional production of the new 1986 Plymouth Sundance and Dodge Shadow sporty compacts (P-cars) starting next May.

The plant was acquired from Volkswagen of America in April, 1983. It turns out Chrysler LeBaron GTS and Dodge Lancer. It held a ceremonial roll-off of its 100,000th car, a silver, turbo-charged LeBaron GTS four-door last week.

Chrysler calls it one of the world's most-advanced assembly plants. It went on stream last September. A second shift started in February. The facility employs about 4,300.

The expansion will cost about \$160 million in structure, machinery and equipment and cover 256,200 square feet.

"A major goal of the project is to provide the plant with full capability in all systems to build either the Sundance and Shadow or its present products, LeBaron GTS and Lancer," said Richard E. Dauch, executive vice president

for manufacturing.

"Producing these sporty compacts along with the popular Lancer and LeBaron GTS sedans gives Sterling Heights Assembly the flexibility to adjust to swings in the market. We expect the greater variety to increase total sales of the passenger cars built there," Dauch said.

LeBaron GTS and Lancer are selling well. As of June 1, the inventory of LeBaron GTS stood at 50 days, down from 114 days a month earlier. Stocks of Lancer amounted to a 70-day supply compared with 81 days a month before.

The expansion will be in the form of four building additions, the largest of which will be 143,400 square feet. Dauch said that structure will allow completion of all major subassemblies at Sterling Heights.

"The new facilities will include the industry's most advanced technology," he said. "Our automated operations in welding, painting, trim and material handling will add 118 new robots, bringing the total used in the plant to 220."

Problems mount for 3-wheel Zoe; parent firm sued

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—ZoeTrans, an Orange County-based firm attempting to sign dealers for a three-wheel car it seeks to import from England, is facing mounting criticism from those formerly associated with the project, along with two lawsuits, one from an ex-dealer and the other from Zoe's former ad agency.

In addition, the company has yet to certify the Reliant three-wheeler, and ZoeTrans' parent, Zoe Products, Inc., was recently found guilty of stock fraud in a civil suit brought against it by the SEC. A number of people who either consulted or signed agreements with the firm also have asked Zoe to stop using their names in Zoe's dealer recruitment drive.

Headed by James P. McPherson Sr., Zoe Products has been called by some observers a company in search of a product. Zoe has dealt in a number of items ranging from vitamins and sobering aids to

medical equipment. Its most recent project, through the ZoeTrans subsidiary, is an attempt to crack the entry-level auto market with a three-wheeler.

The company's first entry was the Zoe Zipper, a Japanese-produced vehicle, and later, having abandoned that deal, it shifted focus to the European-produced Reliant and Ligier vehicles. Zoe Products is a stock company listed by NASDAQ and traded over-the-counter. A so-called "penny stock," it currently trades between one-thirty-second to three-thirty-seconds of a dollar.

It was the business practices of Zoe Products in the vitamin business that attracted SEC scrutiny. On May 20, Judge James M. Ideman granted a summary judgment in the SEC's favor against Zoe on charges that the company committed stock fraud. In unusually strong language, Ideman was quoted in the Los Angeles Times as saying to Zoe's attorney, Robert Bretz, "It appears to me your clients are frauds."

According to the SEC com-

plaint, Zoe misled investors by stating in a number of press releases that its vitamins were sold by major drug and food store chains when, in fact, the product had not. Zoe's attorney argued unsuccessfully that Zoe's product had been "cleared" by the chains and that the wording in the release was from the financial public relations firm that prepared it.

The judge's ruling enjoins Zoe from filing false and misleading information in the future and, according to an SEC spokesperson, the ruling applies to all of Zoe's dealing, including the car activities. The spokesperson declined to comment on whether the SEC was looking into these other areas.

McPherson said the SEC suit has no bearing on ZoeTrans, since the subsidiary is only partly owned by Zoe Products, Inc. Said McPherson, "That thing was a civil suit. The whole thing has no fine or no penalty. It's a four-

Please turn to Page 51, Col. 1



They're all Scorpions

Ford's new Scorpio/Granada went on sale in Europe May 17. Hertz placed a \$6-million order for 500 units and PanAm named a Boeing 747 the Clipper Scorpio Jumbo after it. Hertz operates a European fleet of 70,000 vehicles, of which more than 20,000 are supplied by Ford.

More car-like than current Aerostar

Ford confirms front-drive minivan

By Dan McCosh
Detroit Reporter

Ford Motor Co. is working on a front-drive minivan to compete in the next-generation minivan race, said Lincoln-Mercury General Manager Thomas J. Wagner, confirming an earlier report in Automotive News that Ford is developing a car-like vehicle separate from the new rear-drive Aerostar.

Wagner, in a broad-ranging discussion of Lincoln-Mercury's marketing plans before the Detroit Auto Writers Group, said the "All-Purpose Vehicle" (APV) "isn't in the cycle plan now," but is in the development stage for both Ford Division and L-M.

It would be a "high-cube" vehicle, more car-like than the current Aerostar. "It's not in the near future," Wagner said.

Other sources close to the program say Ford is holding discussions with its Japanese affiliate, Mazda Motor Corp., for both design and manufacture of the front-drive minivan.

General Motors also has a front-drive minivan in development, so far slated for Pontiac. Chrysler Corp. is working on a 1988 "Z-van," narrower than the current minivan and incorporating some advanced materials technology.

In its quest for divisional identity, L-M also needs a "sexy European" car to replace the LN7, Mercury's version of the Ford EXP which Ford Division is expected to revive in the 1986 model year.

Mercury isn't interested in sharing the new EXP, Wagner said, but he would like to see a new sporty car in the \$7,500 class "maybe from Europe"—a hint that such a program would be the third car added to the Merkur franchise, which now consists of the Merkur XR4Ti and will add the Scorpio next year.

Wagner also confirmed the name and launch of the \$20,000-\$25,000 Scorpio, being built by Ford in Cologne, West Germany. The Scorpio is due to go on sale in

the U.S. in the fall of 1986, Wagner said.

Other anticipated product changes include a new front-drive Continental "within a few years" and minor sheet-metal changes for the Lincoln Town Car, which will continue at least through the end of the decade, according to Wagner.

Noisy, lit-up car tells you where it is

NEW YORK.—The Hamacher Schlemmer catalog offers an electronic car locator which helps people find their cars in crowded parking lots by turning on the car lights and horn from as far as two blocks away.

A key-chain-sized transmitter sends a coded signal to a receiver unit placed beneath the dashboard which activates the lights and horn for one second.

Frustrated dealer warns Zoe prospects

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—The ad appearing on Page 60 in the June 3 issue of Automotive News read simply: "Considering a Zoe franchise in the 3-wheeled market? Take advantage of our experience. For your sake, talk to someone who has been there."

The ad carried a Pennsylvania phone number with "Mr. Preston" as the contact. Mr. Preston turns out to be William Preston Baldwin Jr., owner of Baldwin Buick, Schillington, Pa.

Baldwin is suing Zoe for money he says is owed to him. "I've kind of had mixed emotions about running the ad," Baldwin said. But he said he went forward with it to let other dealers know what his experiences with Zoe have been.

"We haven't been able to do anything positive" with Zoe, Baldwin said. The ad has drawn "a variety of calls from across the country," Baldwin said, adding that he's taken almost a dozen calls, ranging from prospective dealers to people considering jobs

with Zoe.

Baldwin said he recounts only what his experience with the company has been since becoming a dealer in August, 1983, and terminating a year later.

The first products sent to him by Zoe were three-wheeled scooters.

"They were \$850 apiece," Baldwin recalled. "They said they could sell for \$1,300. We didn't want the scooters. We held them for a year and finally sold them at a loss for \$550."

The next products sent to Baldwin from Zoe were two "Little Giant" off-road trucks. Baldwin said he paid \$5,200 each for the vehicles, but when he attended a Zoe dealer meeting last summer, he found out from the other dealers that they paid only \$4,000 for them.

Baldwin said he was promised that the company would refund the difference, but "we never got five cents back."

He said only six to eight dealers attended the meeting.

Later, Baldwin received two Zoe Zippers. "They said the cars would be \$2,800," he said. "We ended up paying \$3,400 each."

The Japanese-produced vehicles arrived at Baldwin's dealership damaged. He returned them and hasn't received his money back from the company.

Baldwin said he terminated his dealer agreement last August. Although his suit is pending, Baldwin said he placed the ad when he learned that other dealers were sending \$17,000 to Zoe for parts packages as part of becoming dealers.

"We put up no money; we're probably out about \$18,000 to \$20,000," Baldwin said, adding that he's concerned about other dealers putting in the money up front without getting another view of some of the company's past dealings.

Fewer factory promotions for Detroit event

Industry's Grand Prix fever wanes

By Edward Lapham
Marketing Editor

The old Detroit adage "Race on Sunday, Sell on Monday" apparently has lost some of its luster, as factory support for sales-promotional activities related to the 1985 Detroit Grand Prix race has waned.

The Grand Prix will be held June 21-23.

While there are still a number of promotions and tie-ins, the attitude toward Grand Prix IV has cooled.

Most divisions and companies, including suppliers, will participate through support of social and cultural events during Grand Prix week.

However most of the sales, marketing and merchandising tie-ins of earlier years are gone.

"What do you get out of it when there aren't American cars running around out there?" one industry source asked rhetorically.

An official at another company was equally cool. "We found that there was just a lack of return on investment," he said.

The auto maker that is most involved in promotional tie-ins is Ford, which has supported the race from the beginning.

Ford, with international operations and a history of supporting and participating in international motorsports events, obviously gets a return on its investments.

Lincoln-Mercury, which picked up sponsorship of the Trans-Am support race when Pontiac bowed out, also has "a fair amount" of Merkur signage on the track and will use racer/spokesperson Lyn St. James and Miss Teenage America in seat-belt safety promotional activities throughout the area this week.

In conjunction with the Trans-Am event, the Mercury Motor City 100 Championship race, L-M's Detroit district will have a one-lap driveway of 100 Capris on Saturday.

Ford Division's Detroit district also will have a one-lap driveway of 35 Thunderbird Turbo Coupes. AMC's promotional activities are limited to sponsorship of the Lucas Challenge SCCA Sports Renault Race.

There will be just three support races again this year, which has limited the opportunity for sponsorship for those manufacturers with any residual interest.

In addition to the L-M- and Renault-backed events, there is

also a Bosch-Volkswagen Super Vee Championship race.

Gone is the Chrysler Cup/Champion Spark Plug series race for front-drive cars.

In fact, the only direct promotional activity by Chrysler Corp. this year is the erection of three scoring towers by Dodge.

The towers will be strategically placed to be visible to both racegoers and the worldwide television audience.

The Detroit Grand Prix will be telecast by CBS for the second consecutive year and the industry has maintained its network advertising.

The total pop on the 2½-hour show this year by auto and auto related companies is more than \$1 million, compared with about \$900,000 last year.

However, the 30-second spot price was increased to about \$40,000, from \$36,000 last year.

The biggest advertiser is Good-year with four spots.

Among the auto-related advertisers with two spots are GMAC, Ford, Chrysler, AC-Delco, Fram, Mobil Oil, Chevrolet, Volkswagen, Dodge and Lincoln-Mercury.

Quaker State Oil and Honda have one spot each.

index

Auction reports	50, 51
Automotive World News	35
Classified advertising	52
Editorial page	10
Engineering	24
Obituaries	64
Production by makes	66
Registrations, truck	20, 44
Truck highlights	20

60th year—No. 5079

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semi-weekly the fourth week in April at 1400 Woodward, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Cabriolet, Scirocco, Vanagon get special treatment

VW offers 3 Wolfsburg Editions

By John A. Russell
New York Staff Writer

NEW YORK—Volkswagen introduced three of its limited Wolfsburg Edition models last week, marking the third year the company has decided to present special mid-year models.

This year, the Scirocco, the Cabriolet and the Vanagon camper have been selected for special treatment and special prices, according to Volkswagen executives.

More good news for Volkswagen Division was announced by Gen-

eral Sales Manager Jim Wolter who said Jetta sales for May showed a jump of 108 percent over last year. VW Division's overall sales for the month were about 24,000 units, up about 11 percent from May, 1984.

The Wolfsburg Edition Cabriolet has full leather interior, power rack and pinion steering and new 6x14-inch light alloy wheels. The model will come in silver or red and is priced at \$12,980. A VWoA spokesman said this is not a great increase over the 1982 price of

\$10,600 since the latest version has the GTi engine, power steering and the new wheels.

The Scirocco has the light alloy wheels with aerodynamically designed "teardrop" brake cooling slots, body color bumpers and mirror housing and a "blackout" taillight treatment.

It is available in red, white and black and will be priced at \$10,980. The 1982 price on this model was \$10,150.

On the Wolfsburg Edition of the camper, VWoA dropped the "kitchen sink" and added more seating capacity.

The Vanagon GL does have the sink, but it was found that a lot of customers didn't need that standard feature. The storage space was increased because of the removal of the sink and this edition will be priced at \$14,700. In 1982, this camper was priced at \$15,000 and, currently, the GL Vanagon with the sink goes for \$17,190.

This model has metallic paint, captain's chairs and a removable ice chest. It sleeps four and seats six.

Wolter stressed that there would be limited availability of these models. Only 1,500 campers, 3,500 Cabriolets and 3,000 Sciroccos will be built.

As for the general business, Wolter said VW Division is experiencing a turnaround in several areas. Three years ago, 60 percent of its business was done in U.S.-built models. Today, the mix is 60 percent import and 40 percent domestic, which is what the division was gearing for and why it put the big push behind its Jetta line for 1985.

While Wolter noted that there were some problems with the introduction of the new Golf and the Jetta for 1985, he said they were more in terms of supply than anything else.

"We're back on the right track."

Some auto tax credits unfair, high court says

WASHINGTON.—The Supreme Court has ruled that states which grant car buyers credit against their use taxes for sales taxes paid to reciprocating states may be violating the equal protection rights of non-residents.

Sixteen states now allow non-residents a credit for auto sales taxes paid in another state. They are Alabama, Georgia, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Nebraska, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, South Dakota, Texas and Vermont.

The court's decision stemmed from a challenge to the Vermont law brought by a former Illinois resident who had purchased a car in Illinois, paid state sales tax on it there and then moved to Vermont.

Vermont imposes a state sales tax of 4 percent on a car if it is bought in Vermont by a Vermont resident and a 4 percent use tax upon registering a car unless the Vermont state tax was paid.

Vermont residents who buy a car out of state receive a credit

against the use tax if they paid state tax in a state that has reciprocity with Vermont. Non-residents receive no such credit.

Norman Williams, a newcomer to the state from Illinois, thought that unfair and sued. The Vermont Supreme Court ruled against him, however, holding that the state was only asking him to pay his fair share of highway maintenance, the 4 percent it asks of its own residents.

In overturning that decision by a 5-2 vote, the Supreme Court held that "residence at the time of purchase is a wholly arbitrary basis on which to distinguish among present Vermont registrants—at least those who used their cars elsewhere before coming to Vermont."

The impact of the Supreme Court ruling is unclear, however, because Williams' suit was dismissed by the state court before an answer was filed and because the Supreme Court proffered no remedy. It ruled only that the case be remanded for further proceedings.

IMPORT SALES BY MODEL

	May 1985	May 1984	5 Mos. 1985	5 Mos. 1984
ALFA ROMEO	609	350	2,127	1,371
AUDI	8,050	7,620	30,585	32,009
4000	0	1,630	0	5,409
4000S	0	0	0	0
4000S Quattro	1,679	142	6,939	142
5000S	349	373	1,686	1,693
5000S turbo gas	4,798	3,976	16,594	18,393
5000D	799	1,142	3,434	3,088
5000D/t	0	0	0	0
Quattro turbo	7	14	41	1,693
Coupe	418	343	1,563	1,591
Tourist	0	0	0	0
BMW	7,968	7,457	34,527	30,290
318/320	2,529	2,968	10,561	16,250
325e	126	1,988	218	4,208
524 TD	2,618	0	11,472	0
528/533	1,714	1,545	7,354	5,284
633CSI	301	259	1,410	1,261
733	680	697	3,512	3,287
CHEVROLET	5,935	732	25,111	732
Spectrum	4,490	0	18,399	0
Sprint	1,445	732	6,712	732
CHRYSLER/MITSUBISHI	5,846	5,285	32,113	33,294
Colt	3,545	3,729	23,088	24,769
Conquest	659	477	2,297	3,633
Vista	1,642	1,079	6,728	4,892
FIAT	0	0	0	0
HONDA	35,662	34,299	167,435	165,991
Civic	15,045	11,596	61,718	54,864
Civic CRX	0	3,472	21,484	17,201
Accord	13,782	12,837	54,583	62,335
Prelude	6,835	6,394	29,650	31,591
I.A.I.	0	0	0	0
ISUZU	1,721	1,676	7,089	6,342
I-Mark	783	314	2,145	1,637
Impulse	938	1,362	6,944	4,705
JAGUAR	1,714	1,603	7,609	7,045
XJ6	1,385	1,289	6,117	5,912
XJS	329	314	1,492	1,133
LANCIA	0	0	0	0
MASERATI BITURBO	138	0	1,493	0
MAZDA	15,792	16,154	70,175	67,807
GLC	3,602	4,582	15,253	17,801
626	7,346	6,566	32,174	27,918
RX-7	4,844	5,006	22,748	22,088
MERCEDES BENZ	8,491	6,919	36,423	34,600
190D	310	485	1,545	2,985
190E	2,241	1,260	10,059	5,914
240D	0	6	6	21
300D	2,022	1,525	7,595	7,479
300CD	193	161	701	702
300TD	339	223	1,362	1,103
300SD	734	1,421	3,145	7,066
380SE	898	593	4,141	2,665
500SEL	680	307	2,736	1,769
380SL/SLC	943	793	4,476	4,081
500SEC	131	145	657	815
MERKUR	631	0	1,986	0
MITSUBISHI	5,237	4,016	16,858	16,487
Starion	485	755	2,203	3,423
Cordia	705	1,742	2,920	6,589
Tredia	1,069	1,519	3,350	6,475
Mirage	1,446	0	4,322	0
Galan	1,532	0	4,063	0
NISSAN	51,251	52,374	197,820	197,847
Sentra/210	18,380	21,483	67,530	77,962
Pulsar/310	5,075	3,777	18,540	14,937
Stanza	4,405	4,852	16,903	18,814
Maxima	8,789	7,056	33,144	26,241
200SX	7,280	7,023	29,065	24,886
300ZX	6,896	7,566	30,374	32,676
Hawaii	426	617	2,264	2,331
PEUGEOT	1,789	1,743	6,261	8,040
PORSCHE	2,284	2,162	10,255	10,745
944	1,475	1,372	7,002	6,903
911	558	542	2,255	2,675
928	251	248	964	1,167
RENAULT	574	937	3,798	5,145
LeCar	0	0	0	0
18i	342	287	1,209	891
Fuego	232	650	2,589	4,254
SAAB	3,413	2,602	16,076	14,707
900	942	578	4,408	3,738
900S	1,129	848	4,965	4,457
Turbo	1,251	1,099	6,368	6,223
Tourist	91	77	334	289
SABARU	14,441	14,305	63,945	64,243
TOYOTA	69,846	60,506	231,807	211,622
Starlet	0	0	0	258
Corolla	19,539	17,017	60,080	59,514
Terrel	11,509	10,430	35,027	37,058
Celica	8,507	9,231	30,890	34,783
Supra	2,981	2,899	10,684	11,356
Camry	13,776	11,509	45,850	35,134
Cressida	4,570	3,205	16,993	13,337
Land Cruiser	225	271	568	822
Van	3,773	4,107	14,840	14,891
4Runner SR 5	504	581	2,724	585
MR2	3,714	0	11,280	0
Hawaii	748	1,256	2,868	3,884
Other	0	0	3	0
VOLKSWAGEN	16,064	12,582	55,829	50,684
Rabbit Convertible	1,587	1,884	5,470	5,673
Jetta	8,877	4,266	30,342	20,103
Vanagon	2,161	2,592	8,103	9,132
Quantum	1,442	1,904	5,383	7,401
Scirocco	1,997	1,936	6,765	8,375
VOLVO	10,125	10,210	48,088	47,808
DL	4,002	4,733	18,776	22,773
GL	987	2,693	4,390	12,866
GLT Turbo	250	922	1,790	4,587
DL/GL	123	384	1,803	1,728
Coupe	0	0	0	0
740 Series - Gas	3,515	0	14,409	0
740 Series - Diesel	0	0	109	0
760 Series - Gas	864	1,021	4,365	3,273
760 Series - Diesel	284	250	1,415	1,469
Tourist	100	207	1,031	1,112
IMPORT TOTAL	267,581	243,532	1,067,413	1,006,808



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Automotive World News

Fiat lights its Fire

A new engine in a showcase of a plant

By Richard Feast
European Editor

Termoli, Fiat Auto's showpiece engine plant on the Adriatic coast, is a good example of why rivals such as Ford of Europe are taking such a keen interest in the Italian group. When the plant is fully on stream, it will be able to produce a new engine every 20 seconds with a work force of 1,000.

And that isn't just any engine, but an all-new design that is far simpler, lighter and more economical than the one it replaces. Known as the Fire 1000, it will form the basis of Fiat's small-car powerplants into the next century.

Fiat committed itself to the project when its fortunes were at a very low ebb in the early 1980s. The Fire engine already is being produced for the little Lancia Y10 unveiled at the Geneva auto show in March, as well as some versions of the Fiat Uno.

Peugeot (PSA), the company with which Fiat began the Fire project, so far has not announced

when and where its version will go into production. The original idea was to design and develop the engine together, and produce a million a year for use by both groups.

However, political considerations demanded a production split in order to maintain employment in national industries that were fast cutting back on manning levels. While PSA hesitated, due to a shortage of cash and continuing losses, Fiat pressed on.

The result is a highly vertical structure. Fiat construction companies built what is known as Termoli 3 on a site that already was producing engines for Panda, Ritmo and Regata models. Plant technology came from Comau, another Fiat company. Cast-iron components (cylinder blocks, crankshafts, connecting rods) and aluminum parts (cylinder heads, intake manifolds) are from Fiat's Teksid Div. Other Fiat firms, such as Weber, Magnetti-Marelli, Whitehead and Savara, supply engine ancillaries.

Machining, assembly and test-



Automated and awesome: The engine testing room for Fire 1000s.

ing are very automated. The dedicated factory has 56 robots and 92 handling machines coordinated by 103 computers. When production started in January, the first 1,000 workers were removed from lay-off. Opening the plant solved an over-manning problem at Termoli, which employs a total of 2,500. Of those employed at Termoli 3, only 650 are direct labor; the other 350

are indirect, doing such things as window cleaning, gardening and maintenance.

Production now is running about 800 engines a day, but by the end of this year will be 2,100. When in full production in mid-1987, the rate will hit 2,600, or one every 20 seconds. Personnel director Dr. Paolo Gasca says the plant was designed to operate profitably

when running at only 70 percent of capacity.

The 1-liter Fire engine is used in some versions of the Lancia Y10 and Fiat Uno, and by the end of this year a 750-cc version will appear for use in the Panda. Later, toward the end of 1986 or early in 1987, a 1.3-liter version will be unveiled for use in the next-generation Ritmo/Strada.

In early planning, Fiat and Peugeot identified a need for both three and four-cylinder versions of the Fire. So far only Fiat's four has appeared. Peugeot, which was design-leader on the three-cylinder, still has not given a go-ahead on it, a delay that has forced Fiat to develop the 750-cc four as a fallback move.

Between them, Fiat and Peugeot groups invested some \$17 million in design and development of the Fire. The Termoli 3 plant cost Fiat about \$335 million.

First versions of the Fire indicate the advances made in engine design in recent years. On paper it is a four-cylinder, four-stroke, reciprocating gasoline-engine, like the one it replaces. But it only takes 107.5 minutes to assemble compared to 231.5 minutes for the old powerplant.

Production Overseas

FRANCE			
Cars			
	3 mos., 1985	3 mos., 1984	
Peugeot SA	325,695	335,810	
Citroen	120,093	131,673	
Peugeot	193,879	176,596	
Talbot	11,723	27,541	
Renault	365,023	406,074	
Total	690,718	741,884	

Vans, trucks, buses			
	3 mos., 1985	3 mos., 1984	
CBM	16	9	
Iveco-Unic	32	1,859	
Peugeot SA	41,370	30,286	
Citroen	18,374	7,681	
Peugeot	19,647	18,322	
Talbot	3,349	4,283	
Renault	63,273	64,239	
Sovam	25	19	
Total	104,716	96,412	
Total vehicles	795,434	838,296	

BRAZIL			
Cars			
	3 mos., 1985	3 mos., 1984	
Farus	0	10	
Fiat Auto	25,856	20,424	
Ford	43,147	41,240	
General Motors	49,113	37,772	
Gurgel	8	15	
Puma	0	37	
Sta Matilde	20	19	
Toyota	0	42	
Volkswagen	70,399	72,254	
Total	188,543	171,813	

Vans, trucks, buses			
	3 mos., 1985	3 mos., 1984	
Agrale	185	135	
Fiat Auto	8,546	6,373	
Fiat Cam	64	119	
Ford	10,815	9,592	
General Motors	4,430	5,207	
Gurgel	255	238	
Mercedes-Benz	8,469	6,803	
Puma	0	7	
Scania	945	724	
Toyota	701	719	
Volkswagen	11,701	3,339	
Total	46,747	33,669	
Total vehicles	235,290	205,482	

UNITED KINGDOM			
Cars			
	2 mos., 1985	2 mos., 1984	
BL	723	70,773	
Austin Rover	91,173	69,259	
Range Rover	2,550	1,514	
Carbodies	374	280	
Ford	57,457	58,827	
Jaguar	7,299	6,056	
Lotus	157	152	
Panther	19	58	
Reliant	95	22	
Rolls-Royce	319	310	
Talbot	12,993	17,402	
TVR	65	50	
Vauxhall	27,782	21,850	
Others	102	112	
Total	200,385	175,892	

Vans, trucks, buses			
	2 mos., 1985	2 mos., 1984	
Beford	9,028	10,626	
BL	15,954	14,074	
Austin Rover	4,873	4,014	
Land Rover	4,956	4,713	
Freight Rover	3,595	3,374	
Leyland	2,530	1,973	
ERF	361	195	
Foden	109	128	
Ford	19,160	17,918	
Hestair Dennis	155	164	
Metro Cammell			
Weymann	89	41	
Reliant	17	50	
Renault	947	580	
Seddon Atkinson	262	240	
Others	39	51	
Total vehicles	246,506	219,959	

SPAIN			
Cars			
	2 mos., 1985	2 mos., 1984	
Ford	47,595	41,878	
General Motors	50,492	41,220	
Peugeot SA	26,068	25,190	
Citroen	14,024	14,118	
Talbot	12,044	11,072	
Renault	39,605	47,236	
Seat	54,775	32,241	
Total	218,535	187,765	

Vans, trucks, buses			
	2 mos., 1985	2 mos., 1984	
Enasa	1,351	1,660	
Ford	1,093	1,506	
Land Rover	2,977	1,987	
Mercedes-Benz	1,742	2,329	
Motor Iberica	4,112	3,129	
PSA-Citroen	10,120	2,490	
Renault	4,504	5,995	
Seat	5,833	4,380	
Setra	40	40	
Total	31,772	23,516	
Total vehicles	250,307	211,281	

Registrations overseas

UNITED KINGDOM			
Cars			
	4 mos., 1985	4 mos., 1984	
Alfa Romeo	1,115	1,693	
BL	120,972	125,063	
Austin Rover	119,753	123,983	
Range Rover	1,219	1,080	
BMW	12,770	10,192	
Daihatsu	1,711	1,905	
Fiat Auto	20,457	18,199	
Ford	168,710	180,524	
FSO	2,057	1,414	
GM-Vauxhall	117,112	119,981	
Honda	5,596	5,501	
Hyundai	1,748	1,054	
Jaguar	3,073	2,761	
Lada	4,529	5,416	
Lotus	221	199	
Mazda	5,111	6,035	
Mercedes-Benz	6,858	6,192	
Mitsubishi	4,641	3,804	
Nissan	31,053	28,653	
Panther	26	85	
Peugeot SA	36,758	36,563	
Citroen	9,209	10,474	
Peugeot/Talbot	7,549	26,089	

SWEDEN			
Cars			
	4 mos., 1985	4 mos., 1984	
Alfa Romeo	444	360	
BMW	1,473	1,388	
Daihatsu	318	311	
Fiat Auto	2,434	2,024	
Ford	11,029	8,202	
GM-Opel	10,671	7,496	
Honda	1,377	1,192	
Lada	556	494	
Mazda	3,767	3,431	
Mercedes-Benz	3,127	1,776	
Mitsubishi	826	457	
Nissan	2,806	2,002	
Peugeot SA	2,639	2,553	
Citroen	1,135	1,199	
Peugeot/Talbot	1,504	1,354	
Porsche	106	97	
Renault	598	636	
Saab	11,180	10,835	
Skoda	140	106	
Subaru	489	257	
Suzuki	254	1	
Toyota	4,034	2,989	
VW-Audi Group	10,869	9,184	
Audi	4,057	2,241	
Volkswagen	6,812	6,943	
Volvo	25,607	21,685	
Others	18	10	
Total	94,803	77,486	

AUSTRIA			
Cars			
	3 mos., 1985	3 mos., 1984	
Alfa Romeo	643	726	
BMW	1,920	2,684	
Daihatsu	134	199	
Fiat Auto	3,414	4,338	
Ford	5,534	5,871	
GM-Opel	8,728	7,766	
Honda	946	1,171	
Lada	349	338	
Mazda	4,972	5,430	
Mercedes-Benz	2,197	1,843	
Mitsubishi	1,192	1,003	
Nissan	2,989	2,574	
Peugeot SA	3,822	4,124	
Citroen	1,944	1,852	
Peugeot/Talbot	1,878	2,272	
Porsche	109	184	
Renault	2,992	2,800	
Saab	68	121	
Seat	185	298	
Skoda	238	165	
Subaru	912	570	
Suzuki	332	275	
Toyota	2,495	2,518	
VW-Audi Group	11,609	10,862	
Audi	2,873	2,070	
Volkswagen	8,736	8,792	
Volvo	826	974	
Others	114	95	
Total	56,720	56,929	

SWITZERLAND			
Cars			
	2 mos., 1985	2 mos., 1984	
Alfa Romeo	947	1,021	
Bertone	14	24	
BL	334	383	
BMW	1,458	2,083	
Daihatsu	187	150	
Ferrari	15	19	
Ford	2,809	2,344	
GM-Opel	4,981	6,116	
Honda	921	880	
Innocenti	15	13	
Isuzu	78	121	
Jaguar	50	58	
Maserati	16	69	
Mazda	991	1,165	
Mercedes-Benz	1,094	1,217	
Mitsubishi	944	1,467	
Nissan	911	923	
Peugeot SA	2,915	3,301	
Citroen	1,087	1,655	
Peugeot/Talbot	1,828	1,646	
Pininfarina	11	25	
Porsche	137	243	
Puch	23	19	
Renault	2,223	2,139	
Rolls-Royce	10	14	
Saab	164	205	
Seat	65	0	
Skoda	19	25	
Subaru	2,192	1,210	
Suzuki	520	589	
Toyota	1,889	2,146	
VW-Audi Group	6,108	6,024	
Audi	2,318	1,621	
Volkswagen	3,790	4,403	
Volvo	637	765	
Others	24	42	
Total	35,837	38,086	

DENMARK			
Cars			
	3 mos., 1985	3 mos., 1984	
Alfa Romeo	29	92	
Austin Rover	67	173	
BMW	815	848	
Dacia	183	284	
Daihatsu	473	396	
Fiat Auto	2,040	2,099	
Ford	6,403	5,680	
FSO	528	223	
GM-Opel	7,241	6,188	
Honda	416	343	
Lada	1,043	1,170	
Mazda	3,462	3,727	
Mercedes-Benz	257	219	
Mitsubishi	642	329	
Nissan	1,722	1,801	
Peugeot SA	2,228	2,512	
Citroen	1,454	1,632	
Peugeot/Talbot	774	880	
Renault	351	173	
Saab	491	547	
Skoda	1,102	2,279	
Subaru	11	31	
Suzuki	118	6	
Toyota	4,738	3,861	
Trabant	13	31	
VW-Audi Group	2,786	2,785	
Audi	201	192	
Volkswagen	2,585	2,593	
Volvo	1,596	1,633	
Wartburg	338	317	
Zastava	438	123	
Total	39,539	37,999	

In response to Japanese Government's request

Nissan, Toyota to boost imports

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—Nissan Motor Co. will establish an Import Promotion Committee within the company in an effort to obtain more parts from abroad in response to the government's request that Japanese industries increase imports.

Nissan plans to expand imports of automotive parts and equipment from 62.5 billion yen (\$243.3 million at current rates) in fiscal 1984 to 68 billion yen (\$264.7 million) for the current fiscal year ending in March, 1986.

Nissan also will spend 3.7 billion yen (\$14.4 million) to acquire a super computer from the U.S. and for other goods for promotional use.

Toyota Motor Corp., which already has established an Import Expansion Committee, will boost

its imports of parts and other automotive equipment in fiscal 1985 from the originally planned 52 billion yen (\$202.4 million), which amounted to a 5-billion yen (\$19.5 million) increase over the previous

Toll-free call will get Renault Alpine information

SOUTHFIELD, Mich.—Consumers who want to know more about the Renault Alpine V-6 Turbo, which is being launched in Europe this year and will debut in this country in the fall of 1986, can call a toll-free number.

The Renault Alpine V-6 Turbo Information Center toll-free number is 800-227-1227. Within Michigan it is 313-354-8813. Callers will receive an information package on the new, limited-production sports car.

year's imports.

Mitsubishi Motors Corp., Honda Motor Co. and Mazda Motor Corp. also are expected to establish import promotion committees.

Nissan also reported an unconsolidated net income of 74.28 billion yen (\$289.1 million) for the year ended March 31, up 5.3 percent from the year earlier.

Nissan sales for the fiscal year totaled 3.62 trillion yen (\$14.1 billion), up 4.6 percent from the previous year.

Nissan also reported its unconsolidated ordinary profit before taxes and extraordinary items totaled 148.2 billion yen (\$576.8 million), up 22.6 percent. The firm attributed the increase to its U.S. operations, cost-cutting efforts and decreased depreciation expenses.

However, Nissan reported production and sales volumes both dipped during the year. Output slipped 1.8 percent to 2.47 million units, while sales declined 1.4 percent to 2.46 million units.

The dual declines were attributed to slow personal spending in the Japanese market, where car sales dropped 5.5 percent to 841,830 units. Nissan's car exports advanced 1.0 percent to 984,152 units.

Nissan's commercial vehicle sales in Japan rose 9.5 percent to 247,077 units, while exports declined 4.4 percent to 390,923.

Nissan said its production in other countries increased dramatically—51 percent—to 262,271 units. Nissan said most of that increase was accounted for by the startup of car output in the U.S. in March.

Nissan said it expects profits to climb to 160 billion yen (\$622.7 million) in the fiscal year ending next March on sales of 3.85 trillion yen (\$15.0 billion).



Alabama dealers elect

The Automobile Dealers Assn. of Alabama has elected officers for 1985-86. They are, seated from left: Ray Miller, Ray Miller Buick, Florence, president; Don Grady, Grady Buick Co., Mobile, first vice president, and Julian Lowe, Lowe Motor Co., Roanoke, second vice president. Standing, from left, are: Butch Anderson, Woody Anderson Ford, Huntsville, third vice president; Tom Dyas Jr., Tom Dyas Chevrolet-Olds, Sylacauga, secretary-treasurer, and Harold E. Streetman, Montgomery, executive vice president.

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Rowand report

Continued from Page 24

moved from making one-offs in his garage to higher volume, he abruptly faced the same facts of business life the big guys had been meeting right along. Those factors range from low-cost offshore competitors to labor problems. They can be formidable.

In the immediate future, the robot industry is going to see more emphasis on flexibility and the robot's role in flexible machining. Robots will become much more than material handling machines with some human-like movements. They will play active roles in the production process.

For example, instead of simply bringing a piece of bar stock to a lathe and later moving it to another work station, tomorrow's robot will be given a variety of instructions to follow, depending on variables. It may be told to move the work piece to any of a number of stations, reject it or just hold it for a moment till needed.

As cutting inventory to the bone has grown into almost a religion among manufacturers, the robot's job as a fast and adaptive manufacturing worker rather than a transporter will grow.

That technology development will cost heavily in terms of money and talent. There won't be enough of either to go around, and there will be more disappearances.

MAJOR MANUFACTURERS BY SEGMENT

	May 1985	May 1984	Year-to-Date 1985	Year-to-Date 1984
Light-Duty	103,774	110,083	517,908	476,286
Medium-Duty	4,007	4,040	19,423	16,145
Heavy-Duty	1,283	1,077	6,474	4,390
Ford Total	108,034	115,200	543,805	496,821
Light-Duty	126,156	120,210	538,205	489,210
Medium-Duty	2,361	2,357	7,894	7,289
Chevrolet Total	128,517	122,567	546,099	496,479
Light-Duty	27,882	25,567	127,258	119,487
Medium-Duty	2,350	2,325	10,837	10,298
Heavy-Duty	886	1,535	4,809	5,533
GMC Total	31,118	29,427	142,904	135,318

LIGHT-DUTY APRIL, YEAR-TO-DATE SALES

	May 1985	May 1984	Year-to-Date 1985	Year-to-Date 1984
Vans	16,291	15,819	82,175	75,163
Club Wagon	3,421	3,045	15,202	13,966
Ranger	16,131	24,421	118,372	96,483
Bronco	4,608	4,308	21,017	19,677
Bronco II	13,314	10,426	45,482	39,630
Pickups	49,979	52,064	235,660	231,367
Ford	103,744	110,083	517,908	476,286
Vans	15,938	17,811	68,728	75,231
Sportvan	2,430	2,564	10,199	10,790
Astro	10,563	0	30,080	0
S-10	14,407	23,346	102,531	87,507
S-10 Blazer	27,180	14,916	79,691	58,476
El Camino	1,859	2,809	8,547	11,342
Blazer	3,723	4,434	18,329	21,079
Suburban	6,251	5,454	25,314	22,063
Pickups	43,805	48,876	194,786	202,722
Chevrolet	128,156	120,210	538,205	489,210
Vans	5,559	6,522	27,483	32,185
Ram Wagon	3,924	4,320	17,461	19,848
Voyager	10,979	7,599	46,177	35,517
Caravan	12,172	8,011	49,094	37,289
Mini Ram Van	2,330	1,753	11,067	5,235
Ram 50	5,629	4,187	31,909	17,841
Other Plymouth Trucks	0	0	0	378
Ramcharger	3,034	2,653	16,856	12,648
Rampage	0	953	0	4,552
Pickups	12,111	11,398	71,844	58,439
Chrysler	55,738	47,396	271,891	223,932
Vans	3,740	4,031	17,292	21,187
Safari	2,321	0	6,133	0
S-15	3,190	4,647	23,217	18,740
S-15 Jimmy	5,749	3,094	17,667	13,548
Jimmy	790	768	3,625	3,884
Caballero	219	261	1,029	1,154
Suburbans	1,608	1,541	7,480	6,905
Pickups	9,812	10,802	47,233	51,971
P Model	453	423	3,582	2,098
GMC	27,882	25,567	127,258	119,487
CJ	2,796	3,920	14,440	16,043
Wagoner	947	1,770	5,313	8,693
Cherokee	8,500	5,825	36,571	25,281
Grand Wagoner	737	1,285	5,621	7,332
Pickups	517	689	1,961	3,145
Jeep	13,487	13,488	63,915	68,484
Toyota	31,080	26,363	132,649	100,305
Nissan	20,553	19,003	116,878	91,495
Mazda	11,343	11,139	42,631	51,457
Isuzu	7,094	5,045	30,297	14,625
Mitsubishi	1,672	1,148	11,144	5,858
Imports	71,742	62,899	333,899	263,748
Industry Total	396,788	378,443	1,862,776	1,633,148

*Nissan includes domestically-built units in Tennessee.

Project draws criticism; parent firm sued

Problems mount for Zoe 3-wheeler

Continued from Page 3

year-old problem with press releases.

"Our lawyers were dumb-founded (by the decision)." He added that the ruling is being appealed.

Although McPherson insists that ZoeTrans is only partly owned by Zoe Products, Inc., a May 30 press release refers to the parent as the majority owner. Stock in the company is traded as Zoe Products, Inc.

The SEC action isn't the only court case against Zoe. Joseph Basso, who heads Basso Advertising, said his firm is filing suit against Zoe to collect money owed the firm. Basso said his firm worked for Zoe for about six months before resigning the account earlier this year.

Basso declined to comment further on the suit, but according to sources familiar with the relation-

ship, Zoe owes Basso between \$20,000 and \$30,000 and used boards and other artwork prepared by the agency without paying for it.

ZoeTrans is also being sued in Philadelphia by a former dealer, Bill Baldwin, who owns a Buick store in Schillington, Pa. Baldwin is seeking repayment for two damaged Zoe Zippers that he returned to the company.

Zoe has been actively seeking dealers and distributors for more than a year and company officials told Automotive News last summer that EPA certification was near. Since then, a number of people associated with the project have left, including Dan Levitan, executive vice president of ZoeTrans and a director of Zoe Products, Inc.

Levitan, who had worked with Zoe for about a year, resigned last Oct. 31, citing undercapitalization

as one of the primary reasons for his departure. Levitan said the failure on the part of Zoe to federalize the Reliant to date is proof that there isn't enough money to set up U.S. distribution for the three-wheeled vehicle. In addition, Levitan said Ligier, a French manufacturer of small four-wheel vehicles pulled back from its intent to use Zoe for distribution after checking into the company's credit.

"It's a scam," Levitan said, charging that McPherson is using the car to "sign up dealers and have them come up with \$10,000 to \$15,000 in parts packages. The guy doesn't even have \$1 in parts in that company."

McPherson admits that the firm's startup has been rocky, but attributes the delay in certification to the number of changes made to the three-wheeler. The several prototypes that Zoe has in the country have had their rear tracks widened from 48 to 64 inches to increase stability, a new carburetor fitted to ostensibly pass U.S. emissions and an air conditioning system has been developed at Zoe's expense, according to McPherson.

As for Ligier, McPherson contends that the agreement is simply dormant as Zoe works to bring in the Reliant product. He added that the car is "on schedule" on a revised timetable that has the vehicle completing certification by the end of August. An EPA spokesperson in Ann Arbor, Mich., confirmed that the Reliant has not been certified and that EPA doesn't even have an application on file. Yet, one distributor contacted by Automotive News said

Please turn to Page 60, Col. 1



Five doors, new engine for Ritmo

Fiat has added a five-door version of the Ritmo 105 to its European lineup and has given the series a new name: Ritmo 100S, for Super.

Fiat adding new engines for Panda, restyled Ritmo

TURIN, Italy.—Fiat has added a five-door hatchback to its Ritmo 150 series, added a new diesel engine for the Ritmo (Strada), and is believed to be preparing to add a three-cylinder engine to its Panda range.

Pandas currently are powered by 652-cc two-cylinder and 903-cc four-cylinder engines and, in the version built by Fiat's ex-partner in Spain, Seat, by an 850-cc four.

But Seat now is associated with Volkswagen and Audi, not Fiat, and beginning next year, Fiat no longer will be required to buy Seat-built Pandas. Because Seat will continue producing its version of the car, Fiat will use the new so-called Fire engine to make its Pandas more attractive, although more expensive, to buyers.

The new engine is to be either 675 or 750 cc, with power in the 35-HP range.

Daily production of the engine (also slated for Uno) is increasing

dramatically, and the engine is cheaper to produce than the old four-cylinder power plant.

Fiat also hopes the switch will stop the Uno 45's increasing bite into Panda's sales.

The cleaner Fire engine will be easily adapted to meet emission standards in Austria, Switzerland and Germany.

A turbodiesel also is in the works for Uno and is expected to bow this year.

A notchback Uno, called Premio, has been launched in Brazil. European introduction is likely to come late in 1986.

The new five-door Ritmo 105 is changed mainly in styling and mainly in the rear. It has been renamed the 100 Super, replacing the 105 TC. The new Ritmo diesel engine is 10 percent lighter, 7 percent more fuel-efficient and more powerful (maximum horsepower of 60).

used-car
auction directory

FLORIDA

— THURSDAY —
JUNE 27, 1985 - 10:00 A.M.

FIRECRACKER 400 SALE

400-500 UNITS - FLEET, LEASE, RENTAL CARS

\$ Buyers Cash Bonus \$

BUY 7 CARS, GET A CASH BONUS \$100.00
BUY 4 MORE (TOTAL OF 11) GET AN ADDITIONAL BONUS . \$50.00
BUY 3 MORE (TOTAL OF 14) RECEIVE A GRAND TOTAL ... \$250.00
EVERY ADDITIONAL LOAD OF SEVEN CARS PAYS \$100.00

FOR EVERY CAR SOLD, THE BUYER WILL RECEIVE A TICKET FOR
A DRAWING ON JULY 24, 1985, ON A
1985 LINCOLN TOWN CAR

YOU MUST BE PRESENT TO WIN

FREE BREAKFAST 8:00-10:00 A.M.

FREE HOTEL ROOM WEDNESDAY NIGHT

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ON THE FOLLOWING DATES

JUNE 19, 26, 1985 - JULY 3, 10, 17, 24, 1985
FOR A 1985 LINCOLN TOWN CAR

DRAWING WED., JULY 24, 1985

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factories list auction dates

American Motors

June 18—Aptco Auto Auction, Taylor, Mich.

June 19—Metro Milwaukee Auto Auction, Caledonia, Wis.; Kansas City Auto Auction, Kansas City; Southern Auto Auction, Warehouse Point, Conn., and Mid-States Auto Auction, South Bend.

June 20—Northway Exchange, Clifton Park, N.Y.; Northstar Auto Auction, Shakopee, Minn., and Evansville Auto Auction, Evansville, Ind.

June 21—Floyd Hauhe Auto Auction, Bridgeton, Mo.

June 25—Arens Auto Auction, Chicago; D-A Auto Auction, New Stanton, Pa., and High Point Auto Auction, High Point, N.C.

June 26—Columbus Fair Auto Auction, Obetz, O., and Central States Auto Auction, Mason City, Ia.

June 27—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; Northstar Auto Auction, Shakopee, Minn., and Corry Auto Auction, Corry, Pa.

Used Car Sales

Auction Averages

June to date	\$5,333
Month ago	\$5,224
Year ago	\$5,897

Chrysler Corp.

June 18—Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and NuCar Prep System, Santa Fe Springs, Calif.

June 19—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, O., and South Seattle Auto Auction, Kent, Wash.

June 20—Atlanta Auto Auction, Red Oak, Ga.; Arena Auto Auction, Chicago, and Indianapolis Auto Auction, Indianapolis.

June 25—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Golden Gate Auto Auction, Fremont, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

June 26—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Minneapolis Auto Auction, Plymouth, Minn., and Dallas Auto Auction, Grand Prairie, Tex.

June 27—Fredericksburg Auto Auction, Fredericksburg, Va., and Clanton's Auto Auction, Darlington, S.C.

June 28—Concord Auto Auction, Acton, Mass., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Ford Motor Co.

June 19—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

June 20—Aptco Auto Auction, Taylor, Mich.; 166 Auto Auction,

Springfield, Mo., and Skyline Auto Exchange, Fairfield, N.J.

June 26—Northway Exchange, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

June 27—Floyd Hauhe Auto Auction, Bridgeton, Mo.; Big H Auto Auction, Houston, and Denver Auto Auction, Englewood, Colo.

General Motors

June 18—Southern Auto Auction, East Windsor, Conn., and South Seattle Auto Auction, Kent, Wash.

June 19—Clanton's Auto Auction, Darlington, S.C.

June 20—Indianapolis Auto Auction, Indianapolis.

June 26—Brasher's Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction, Kansas City.

June 27—Butler Auto Auction, Gibsonia, Pa., and Arena Auto Auction, Chicago.

June 28—Nashville Auto Auction (special event sale), Nashville.

Model Breakdown
Auction Averages

	JUNE 1985	MAY 1985	APR 1985
1985	\$11,544	\$11,515	\$11,744
1984	\$8,356	\$8,553	\$8,522
1983	\$6,434	\$6,474	\$6,464
1982	\$5,786	\$5,381	\$5,228
1981	\$4,550	\$4,399	\$3,323
1980	\$3,429	\$3,266	\$3,511
1979	\$3,083	\$2,706	\$2,622
1978	\$1,975	\$2,839	\$1,938
Overall Average	\$5,333	\$5,293	\$4,928

50-day inventory as June opens

U.S. car supply lowest in a year

Continued from Page 1

inventories with its incentives on Lancer and LeBaron GTS, as did Buick and Oldsmobile with their programs for N-cars Somerset Regal and Calais.

There were no incentives in the standard-size-car class, and sales and inventories held pretty steady. The high stocks of Grand

Marquis and Crown Victoria reflected stockpiling in anticipation of a prolonged plant shutdown.

Sales jumped in the luxury segment, led by incentive-wrapped Cadillac Seville and Eldorado. Lincoln's incentives on its luxury cars didn't improve their sales rates, but at least they didn't lose ground to the Cadillacs.

The new-car inventory was split this way on June 1: Subcompact, 17.40 percent; compact, 19.85 percent; intermediate, 34.92 percent; standard, 14.77 percent, and luxury, 13.06 percent.

One month earlier, the (revised) breakdown was subcompact, 17.59 percent; compact, 18.99 percent; intermediate, 35.33 percent; standard, 15.37 percent, and luxury, 12.72 percent.

The June 1 shares of inventory by company were GM, 51.58 percent; Ford, 27.10 percent; Chrysler, 16.93 percent; AMC, 2.92 percent; Volkswagen (domestics only), 1.02 percent; Honda (domestics only), 0.32 percent, and Nissan (domestics only), 0.13 percent.

One month earlier, the shares were GM, 52.30 percent; Ford, 27.76 percent; Chrysler, 15.62 percent; AMC, 2.81 percent; VW, 0.98 percent; Honda, 0.45 percent, and Nissan, 0.08 percent.

The domestic cars by size class

and their June 1 days' supplies:

Subcompact—Alliance, 111; Encore, 108; Laser, 81; Chevette, 79; Daytona, 71; EXP, 63; Charger, 54; Horizon, 52; Omni, 50; VW Golf, 50; Turismo, 48; Lynx, 45; Fiero, 41; Pontiac 1000, 35; Escort, 32; domestic Nissan Sentra, 23, and domestic Honda Accord, 9.

Compact—Eagle, 204; Aries, 91; Reliant, 82; Firenza, 79; Cimarron, 73; LeBaron, 72; Capri, 68; Camaro, 61; Skyhawk, 61; Topaz, 55; Tempo, 48; Mustang, 41; Firebird, 34; Cavalier, 23, and Sunbird, 21.

Intermediate—New Yorker/E-Class, 97; Marquis, 88; Caravelle, 75; Thunderbird, 73; Dodge 600, 72; LTD, 70; Lancer, 70; Citation, 65; Grand Prix, 63; Cougar, 60; Regal, 59; Monte Carlo, 58; Bonneville, 54; LeBaron GTS, 50; Century, 39; Skylark, 37; Celebrity, 36; Cutlass Supreme, 36; Cutlass Ciera, 31; Pontiac 6000, 30; Somerset Regal, 26; Calais, 23, and Grand Am, 14.

Standard—Grand Marquis, 93; Crown Victoria, 87; Chevrolet, 59; Parisienne, 56; Diplomat, 53; Oldsmobile 88, 50; Plymouth, 49, and LeSabre, 46.

Luxury—Toronado, 93; Continental, 92; Mark VII, 92; Fifth Avenue, 82; Cadillac, 79; Riviera, 78; Oldsmobile Ninety-Eight, 72; Electra, 67; Lincoln, 54; Corvette, 52; Seville, 45, and Eldorado, 39.



Four-door look in six-door limo

Hess & Eisenhardt Co., Cincinnati, has introduced a nine-passenger Formal limousine with the appearance of a four-door, but with center doors that open conventionally from the inside and with electric buttons from the outside. The Formal may be ordered based on Cadillac's front-drive DeVille (shown) or on its rear-drive chassis.

Early-June new-car sales climb to seven-year peak

Continued from Page 2

American Motors dropped 27.38 percent to sales of 2,360 from 3,250. Honda experienced one of its few declines in early June, dropping 11.34 percent to 1,845 from 2,081. Nissan' June 1-10 sales were estimated at 750 this year, its first in the domestic market.

Shifting market shares left GM

up slightly to 59.84 percent from 59.45 percent last year. Ford slipped to 24.40 percent from 24.75 percent. Chrysler held 13.01 percent, up from 12.50 percent.

AMC was down to 1.09 percent from 1.74 percent, while VW edged up to 0.46 percent from 0.44 percent. Honda dropped to 0.85 percent from 1.12 percent and Nissan earned 0.35 percent of the recent 10-day domestic market.

All three Chrysler makes were up and two of the three Ford makes posted early-June gains. Plymouth sales were up 9.96 percent, Chrysler was up 41.81 percent and Dodge climbed 11.70 percent. Ford was up 20.54 percent, Mercury was up 4.35 percent and Lincoln dropped 5.08 percent.

At GM, Buick was up 72.75 percent, Chevrolet was up 16.53 percent, Pontiac climbed 8.80 percent, Cadillac was up 7.67 percent while Oldsmobile dropped 11.33 percent.

American Motors' AMC Eagles were down an estimated 40.00 percent, Renaults were down 24.53 percent, VW was up 18.65 percent, Honda dropped 11.34 percent and Nissan had no year-ago numbers.

Based on eight selling days each year, the daily rates were 27,071 this year versus 23,345 in 1984. Year-to-date sales were up 4.02 percent, to 3,854,298 from 3,705,462.

Ford Escort was the top-selling nameplate for the period with sales of 12,928 units. Second was the Buick Century at 10,924, followed by Olds Cutlass Ciera at 10,254, Chevrolet Celebrity at 9,443 and Chevy's Cavalier at 7,877.

SERVICE INDEX
118.6*

	April '85 vs. April '84	4 mos. '85 vs. 4 mos. '84
Gross Profit on All Labor and P&A Sales	+18.2%	+10.1%
Repair Orders Written	+21.4%	+10.5%
Total Labor Sales (Customer & Warranty)	+23.5%	+13.4%
Shop Parts Sales (Customer & Warranty)	+20.6%	+11.2%
Sales of All P&A	+14.3%	+7.1%

*Survey by Automotive News shows that dealers' service and parts business in April, 1985, was 118.6 percent of business in April, 1984. Service business in the first four months of 1985 was 108.9 percent of business in the corresponding period in 1984.

NEW-CAR STOCKS

	June 1, 1985	May 1, 1985	June 1, 1984
Alliance	111	89	101
Encore	106	93	90
Eagle	204	181	73
AMERICAN MOTORS	117	97	97
Horizon	52	28	52
Turismo	48	29	65
Reliant	82	44	52
Caravelle	75	64	0
Plymouth	49	51	22
Total Plymouth	66	41	52
Laser	81	41	72
LeBaron	72	85	61
LeBaron GTS	50	81	0
Fifth Avenue	82	95	86
New Yorker/E-Class	97	106	78
Total Chrysler	74	81	73
Omni	50	34	58
Charger	54	33	71
Daytona	71	34	81
Aries	91	50	61
Lancer	70	114	0
Diplomat	53	63	51
Dodge 600	72	80	70
Total Dodge	68	52	65
CHRYSLER CORP.	69	56	64
EXP	63	79	45
Escort	32	79	60
Mustang	41	34	54
Tempo	48	21	90
Thunderbird	73	73	80
LTD	70	64	43
Crown Victoria	87	78	58
Total Ford Division	51	57	63
Lynx	45	94	72
Topaz	55	20	87
Cougar	60	57	58
Capri	68	76	80
Marquis	88	76	35
Grand Marquis	93	79	51
Total Mercury	69	64	57
Continental	92	63	68
Lincoln	54	53	28
Mark VII	92	93	69
Total Lincoln	63	62	45
FORD MOTOR CO.	56	59	60
Skyhawk	61	24	52
Skylark	37	34	43
Somerset Regal	26	66	0
Century	39	38	32
Regal	59	63	48
LeSabre	46	43	34
Electra	67	61	33
Riviera	78	71	33
Total Buick	46	45	40
Cimarron	73	30	98
Seville	45	102	33
Cadillac	79	77	7
Eldorado	39	89	7
Total Cadillac	61	76	33
Chevette	79	80	49
Cavalier	23	21	33
Citation	65	73	44
Camaro	61	70	54
Celebrity	36	42	28
Monte Carlo	58	62	46
Chevrolet	59	77	45
Corvette	52	52	44
Total Chevrolet	46	48	40
Firenza	79	34	72
Calais	23	66	0
Cutlass Ciera	31	31	24
Cutlass Supreme	36	37	27
Olds 88	50	52	29
Olds 98	72	72	30
Toronado	93	91	60
Total Oldsmobile	40	46	31
Fiero	41	28	11
1000	35	67	67
Sunbird	21	28	48
Firebird	34	50	35
Grand Am	14	17	0
6000	30	40	34
Bonneville	54	68	57
Grand Prix	63	72	54
Parisienne	56	63	65
Total Pontiac	34	40	43
GENERAL MOTORS	43	47	38
VOLKSWAGEN	50	61	83
HONDA	9	13	15
NISSAN	23	25	0
DOMESTIC TOTAL	50	52	47
Subcompact	46	54	52
Compact	46	35	55
Intermediate	45	53	40
Standard	63	66	43
Luxury	67	75	42

'Recapture' provisions unfair, GM chief tells senators

Smith finds flaws in tax program

Continued from Page 3

posed changes in this area could "detract from the overall improvement in our nation's international competitive position."

"Just as the tax system should not favor multinational activity, neither should it hinder such activity," Smith said.

Smith also spoke in favor of allowing the full deduction of corporate dividend payments. He said this "would remove the bias in favor of debt financing and promote the strengthening of cor-

porate balance sheets through the issuance of additional securities." The President's tax proposal allows a 10 percent deduction for corporate dividends.

In testimony before the House Ways and Means Committee, Dick Warden, UAW legislative director, criticized the proposed tax plan saying it "contains many objectionable provisions."

Warden said the union is concerned that the plan may cost the Federal Government revenue that is needed to "fund vitally necessary services and programs." To that end, the UAW is prepared to support a plan that raises additional revenue, attacks the deficit problem and finances urgently needed social programs, Warden said.

The UAW contended that this would not be accomplished by taxing employer-provided health insurance benefits or eliminating deductions for state and local taxes.

The union also criticized provisions in the tax plan dealing with retirement savings, taxation of unemployment and worker compensation income and elimination of the second-earner deduction.

The union also attacked limitations on employee business expenses, including union dues, and elimination of the checkoff for the public financing of Presidential elections.

Warden praised the Reagan plan for abolishing the taxation of Americans at or below the poverty line. He said, "The UAW is pleased that the President's package would require corporations to carry a greater share of the tax

Ex-Dodge dealer charged in van conversion scheme

Continued from Page 3

by check," Frese said.

Both Van Express and Chrysler cooperated fully in the investigation, Frese said.

The indictment charges that in the period covering roughly October, 1982, through December, 1983, Van Express kickback payments to Dunitz totaled approximately \$221,300.

The indictment alleges that Chrysler was defrauded out of its fair share of the dealership's income.

Frese explained that this charge involves a legal technicality. It is not that Chrysler was entitled to a share of the illegal kickbacks, but that they could be considered rebates to which the company would have been entitled.

A Chrysler spokesman said that one way to look at the fraud involved in the scheme was that Chrysler was paying for the kickbacks, since they were billed to the dealership, which was not operating at a profit.

The dealership's customers were also paying, since the money pocketed by Dunitz was reflected in the price of the van conversion, the spokesman said.

Shop volume shows best gain in 14 months

Continued from Page 1

1984 figure.

Sales of all parts and accessories during the month were 14.3 percent higher than a year ago, while sales of the same items to outside customers showed an increase of 9.5 percent.

Through April, total customer-paid and warranty labor sales was the No. 1 indicator, with a gain of 13.4 percent over volume in the corresponding period a year ago.

In the runner-up spot was shop-parts sales, which were 11.2 percent higher than the previous year. Repair orders written in the first four months were up 10.5 percent from 1984, while gross profit on all labor and P&A sales showed a gain of 10.1 percent.

Four-month sales of all parts and accessories were 7.1 percent higher than the previous gain, and over-the-counter sales to outside customers were up 4.2 percent from the like period in 1984.

Service Index figures are compiled from reports on shop business from a cross-section of the nation's new-car dealers.

As first 1986 models are built

Year's output passes 4 million

By Louise Kertesz
Detroit Reporter

With the first 1986 models (Buick Somerset Regals) coming off the line at General Motors' Lansing plant, U.S. auto production passed the four million mark last Thursday (June 13), six days ahead of 1984.

Last week's estimated production of 163,479 cars was down 7.53 percent from the previous week's 176,787, in part because of reduced overtime, and in part be-

cause of model changeover at GM's Lansing plant. (The 1983 Oldsmobile Calais and Pontiac Grand Am built out during the week ended June 8.)

Last week's scheduled production was about the same (up 0.87 percent) as the year-ago week's 182,068.

So far this year, 4,063,336 cars have been assembled, 2.95 percent more than the 3,946,981 built last year at this time.

Last week's estimated produc-

tion was shared as follows: General Motors, 34.88 percent; Ford Motor Co., 20.59 percent; Chrysler Corp., 17.68 percent; American Motors, 2.23 percent; Honda of America Mfg. Co., 1.93 percent; Volkswagen of America, 1.15 percent; Nissan Motor Mfg. Co., U.S.A., 0.78 percent, and New United Motor Mfg. Co., 0.76 percent.

The 1985 Ford LTD and Mercury Marquis were built out in Chicago last week, and 1986 models are scheduled to come off the line this week (June 17).

General Motors scheduled two overtime shifts Saturday (Sept. 15) at its plant in Leeds, Mo.

Ford has scheduled daily overtime this week at the following plants: Lorain, O.; Dearborn; Wixom, Mich.; Edison, N.J.; Wayne, Mich., and Kansas City.

Chrysler's plants in Belvidere, Ill., and St. Louis (Nos. 1 and 2) are slated to operate two nine-hour daily shifts this week.

Chrysler's Jefferson (Detroit) plant is scheduled to operate two 8½-hour daily shifts this week.

Toyota Cressida fares best in latest 35-MPH crashes

WASHINGTON.—The government last week released crash data on another five vehicles in its experimental New Car Assessment program, and the results showed once again that there is a wide disparity in the amount of protection provided by different vehicles.

The data is obtained from crashes into a barrier at 35 MPH. The vehicles contain belted, instrumented dummies. The 35-MPH speed is 5 MPH higher than current regulations require.

In the latest set of tests, a Toyota Cressida four-door came

out "best," with head-injury-criteria (HIC) numbers of 883 and 914, respectively, for the driver and passenger.

In general, the lower the HIC, the less likely that drivers and front-seat passengers would be seriously injured or killed in a frontal crash. An HIC of 1000 denotes survivability.

The poorest performer, from a driver's perspective, was the Audi 5000-S four door which came in with an HIC of 2105. However, the HIC for the front-seat passenger was 957.

Other vehicles crashed were the Mercury Merkur with HIC values of 1009 and 1450 for driver and front-seat passenger; the Volkswagen Vanagon with HICs of 1905 and 1060, and the Ford Tempo four-door with HIC values of 1207 and 932.

The latter vehicle had been crashed earlier and registered an HIC for the driver in excess of 2200.

NHTSA has been running its assessment program since 1979 as part of its effort to generate reliable data on the crashworthiness of new cars. Eventually, the safety agency is supposed to run such a program as a matter of course and provide the comparative data to consumers on a regular basis.

GM challenge grant aids Ohio tornado victims

DETROIT.—General Motors has announced a \$1 million challenge grant to assist victims of the tornadoes which struck the Mahoning Valley in Ohio.

In addition to an immediate \$100,000 contribution to the Trumbull County Chapter of the American Red Cross, GM has issued a challenge to all GM employees in Ohio. GM will match dollar-for-dollar all contributions by GM employees in the state and will provide up to \$1 million "to help meet the needs of GM people who have suffered losses."

CANADIAN PRODUCTION - CARS

	Week Ended June 15, 1985	Week Ended June 15, 1984	Week Ended June 8, 1985	June to Date	Jan. 1 to June 15, 1985	Jan. 1 to June 15, 1984
AMERICAN MOTORS	0	580	410	410	11,941	5,082
FORD MOTOR	11,386	10,527	11,386	22,781	213,389	240,380
GENERAL MOTORS	14,165	12,317	13,796	27,961	313,204	247,187
VOLVO	225	291	208	433	5,225	5,151
Total Cars - Canada	25,776	23,644	25,809	51,585	543,439	497,810

TRUCK PRODUCTION IN U.S.

	Week Ended June 15, 1985	Week Ended June 15, 1984	Week Ended June 8, 1985	June to Date	Jan. 1 to June 15, 1985	Jan. 1 to June 15, 1984
CHEVROLET	24,048	18,230	27,544	51,592	465,942	558,094
DODGE	4,600	4,288	5,478	10,078	98,903	100,939
FORD	25,955	26,234	26,058	52,013	578,187	579,736
GMC	8,172	8,546	8,059	16,231	152,580	171,672
INTERNATIONAL	1,655	1,741	1,641	3,296	36,078	38,389
JEEP	4,350	3,971	4,243	8,593	89,602	94,362
NISSAN	2,540	2,159	2,274	4,814	44,934	47,964
AM GENERAL	50	50	50	100	1,230	1,190
MISCELLANEOUS	1,739	1,000	1,739	3,478	24,400	42,542
Total Trucks, U.S.	73,109	64,227	77,086	150,195	1,489,836	1,634,858

CANADIAN TRUCK PRODUCTION

	Week Ended June 15, 1985	Week Ended June 15, 1984	Week Ended June 8, 1985	June to Date	Jan. 1 to June 15, 1985	Jan. 1 to June 15, 1984
CHRYSLER	8,780	8,305	8,925	17,685	173,140	198,414
FORD	3,648	3,430	3,672	7,320	77,580	83,239
GENERAL MOTORS	6,120	5,827	6,361	12,421	145,336	138,569
INTERNATIONAL	265	195	268	533	3,480	5,790
Total Trucks, Canada	18,793	17,717	19,190	37,959	399,536	426,014
N. American Trucks	91,902	81,944	96,252	188,154	1,889,375	2,060,872

*New includes window car production. *Estimated
Data includes commercial only. All General includes government-owned vehicles.
Miscellaneous includes estimates for Mack, Volvo, Alfa Romeo, Peugeot, Fiat, and others.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR PRODUCTION

	Week Ended June 15, 1985	Week Ended June 15, 1984	Week Ended June 8, 1985	June to Date	Jan. 1 to June 15, 1985	Jan. 1 to June 15, 1984
AMERICAN MOTORS	3,650	3,355	3,763	7,413	97,093	54,466
Renault Total	3,650	3,355	3,763	7,413	97,093	54,466
Alliance	2,450	1,793	2,220	4,670	51,812	33,433
Encore	1,200	1,562	1,543	2,743	45,281	21,033
CHRYSLER CORP.	28,900	27,660	32,358	61,258	632,921	660,103
Plymouth Total	7,700	7,420	8,667	16,367	185,413	191,265
Horizon	3,100	2,849	3,292	6,392	76,119	69,778
Reliant	3,300	3,952	3,653	6,953	95,383	85,615
Caravelle	950	163	1,234	2,184	4,449	26,589
Gran Fury	350	456	488	838	9,462	9,283
Chrysler Total	9,800	9,464	11,114	20,914	212,589	218,258
LeBaron	2,100	2,788	2,278	4,378	63,967	52,018
LeBaron GTS	2,700	0	2,681	5,381	0	47,768
Laser	1,400	1,572	1,612	3,012	38,530	27,103
New Yorker/E-Class	1,500	2,882	1,859	3,359	54,434	35,592
Fifth Avenue	2,100	2,222	2,684	4,784	55,658	55,777
Dodge Total	11,400	10,776	12,577	23,977	234,919	250,580
Omni	3,000	3,041	2,928	5,928	72,091	70,093
Aries	3,100	3,872	3,504	6,604	74,937	69,944
Daytona	1,100	1,068	1,520	2,620	29,122	24,167
Dodge 600	1,400	1,832	1,798	3,198	40,936	34,842
Lancer	1,800	0	1,724	3,524	0	34,539
Diplomat	1,000	963	1,103	2,103	17,833	16,995
FORD MOTOR	33,666	37,494	32,528	66,194	852,507	829,531
Ford Division	21,128	24,205	21,176	42,304	556,485	551,820
Escort	7,506	7,920	7,416	14,922	172,686	154,279
Mustang	3,788	3,252	4,023	7,811	65,032	67,553
LTD	2,948	4,162	2,889	5,837	107,078	111,899
Thunderbird	2,740	2,750	2,848	5,588	78,355	96,283
Crown Victoria	0	1,309	0	0	37,003	7,122
EXP	0	1,151	0	0	15,800	3,838
Tempo	4,146	3,661	4,000	8,146	80,531	90,846
L-M Division	12,538	13,289	11,352	23,890	296,022	277,711
Mercury Total	8,946	9,981	7,791	16,737	213,677	199,488
Lynx	1,656	1,309	1,642	3,296	32,991	35,200
Capri	712	233	124	836	8,914	7,902
Marquis	2,160	2,736	1,585	3,745	54,929	56,327
Cougar	3,414	2,781	3,291	6,705	49,779	67,568
Gran Marquis	0	2,283	0	0	46,449	4,733
Topaz	1,004	639	1,149	2,153	20,615	27,758
Lincoln Total	3,592	3,308	3,561	7,153	82,345	78,223
Continental	505	864	487	992	17,957	13,533
Lincoln	2,694	2,073	2,672	5,366	48,304	56,041
Mark VII	393	371	402	795	16,084	8,649
GENERAL MOTORS	89,703	88,362	100,586	190,289	2,248,418	2,380,023
Buick Total	18,239	20,969	19,860	38,099	488,332	478,110
Skyhawk	0	2,445	0	0	47,288	40,953
Skyhawk	2,330	2,656	2,245	4,575	77,205	52,703
Somerset Regal	504	0	1,753	2,257	0	58,222
Century	5,986	4,166	6,028	12,014	107,347	123,475
Regal	3,214	4,813	3,333	6,547	107,657	158,168
LeSabre/Electra(rwd)	2,627	4,492	2,996	5,623	105,469	67,219
LeSabre	1,550	1,038	1,546	3,096	25,192	31,904
Electra(rwd)	2,028	1,559	1,959	3,987	18,174	45,466
Cadillac Total	6,893	6,564	7,734	14,627	159,502	176,882
Cimarron	535	265	652	1,187	8,700	13,817
Seville	687	904	687	1,374	20,056	18,986
Eldorado	1,343	2,014	1,342	2,685	37,896	35,563
Cadillac (rwd)	425	1,673	1,165	1,590	73,770	26,366
DeVille (rwd)	3,903	1,708	3,888	7,791	19,080	82,150
Chevrolet Total	31,214	28,697	34,201	65,415	767,816	819,961
Chevette	3,056	2,176	3,418	6,474	98,303	76,937
Cavalier	9,777	8,280	11,053	20,830	197,420	235,899
Celebrity	5,663	6,118	5,692	11,355	143,741	136,513
Camaro	5,003	5,182	4,966	9,969	126,135	112,414
Citation	0	2,171	0	0	52,980	28,697
Malibu/El Camino	0	0	0	0	16,346	0
Monte Carlo	2,195	1,804	2,467	4,662	60,210	72,615
Chevrolet	4,520	2,347	5,601	10,121	57,016	135,829
Corvette	1,000	619	1,004	2,004	15,665	21,057
Oldsmobile Total	21,473	22,224	24,504	45,977	565,625	592,464
Omega	0	962	0	0	24,906	0
Firenza	1,338	1,118	1,055	2,393	37,528	33,442
Cutlass Supreme	5,632	3,956	6,395	12,027	147,334	109,644
Cutlassiera	6,836	6,533	6,876	13,712	135,566	177,003
88-98 (rwd)	4,800	6,579	5,101	9,901	177,706	112,661
Olds 98 (fwd)	2,202	1,799	2,183	4,385	20,063	66,936
Calais	0	0	2,228	2,228	0	73,034
Toronado	665	1,277	666	1,331	22,522	19,744
Pontiac Total	11,884	9,908	14,287	26,171	267,143	312,606
Acadian**	0	135	170	170	8,629	6,532
2000 Sunbird	2,833	2,957	3,338	4,171	71,799	63,608
1000	640	554	772	1,412	20,100	14,517
Firebird	2,617	2,622	2,664	5,281	53,928	59,014
Phoenix	0	840	0	0	11,565	0
6000	1,501	0	1,508	3,009	0	21,695
Grid Prix/Bon Vie	0	0	0	0	29,733	0
Parisienne	1,653	517	2,281	3,934	13,807	34,058
Fiero	2,640	2,283	2,677	5,317	57,582	54,460
Grand Am	0	0	2,877	2,877	0	58,722
HONDA	3,150	3,015	3,029	6,179	60,611	75,775
NISSAN	1,280	0	1,154	2,434	0	7,283
NUMMI (Naga)	1,250	0	1,050	2,300	0	9,000
VOLKSWAGEN	1,880	2,182	2,319	4,199	55,431	47,155

Total Cars - U.S.	163,479	162,068	176,787	340,266	3,946,981	4,063,336
Total Cars - Canada	25,776	23,644	25,809	51,585	543,439	497,810
N. American Cars	189,255	185,712	202,596	391,851	4,490,420	4,561,146
N. American Trucks	91,902	81,944	96,252	188,154	1,889,375	2,060,872
North American Cars and Trucks	281,157	267,656	298,848	580,005	6,379,795	6,622,018

*Revised estimate
**All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

have been assembled, 8.40 percent fewer than the 543,439 completed last year at this point.

American Motors' Brampton (Ont.) plant was down last week for inventory adjustment. It is scheduled to resume production today (June 17).

* Truck makers planned assembly

of 18,793 units last week, 1.95 percent fewer than the previous week's 19,166 but 6.07 percent more than the year-ago week's 17,717.

Year-to-date, 426,014 trucks have been built, 6.63 percent more than the 399,53

Automotive News

C2700-1

June 24, 1985

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Daihatsu heads for U.S.; debut scheduled for '87

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—The last of Japan's nine automobile manufacturers has decided to get its share of the U.S. car market.

Daihatsu Motor Co., a manufacturer of minicars, announced it will begin exporting vehicles to the U.S. in late 1987, and that they will be sold through its own dealer network.

Daihatsu said it will form a subsidiary, tentatively called Daihatsu of America, probably somewhere on the West Coast, next summer to create a marketing network by inviting applications for dealerships.

Daihatsu, the only Japanese auto maker which does not export

to the U.S., said it expects to finalize plans for its new venture, including sales projections and the number of dealerships it will sign, by spring. Exports of its Charade model will start in the fall of 1987.

According to sources here, Daihatsu initially planned to ask Toyota Motor Corp., which owns 15 percent of Daihatsu, to handle its U.S. sales. It discarded the plan because Toyota is too busy with its own products, they said.

Daihatsu's chief competitor is Suzuki Motor Co., which has been selling its minicar in the U.S. as the Chevrolet Sprint. West Coast Chevrolet dealers handle the car.

Daihatsu said it has not exported vehicles to the U.S. be-

cause it did not have the kind of cars it wanted to sell. Another reason for the delay in entering the U.S. market was the lack of the kind of marketing tieup Suzuki has with General Motors.

Daihatsu Motor Co., Ltd., is at 1-1, Daihatsu-cho, Ikeda-shi, Osaka, Japan. Its telephone number is (0727) 51-8811. Telex is 0-5322-224 (532224 DAIHAT J). The company has no office in the U.S. yet.

In addition to minicars and four-wheel-drive utility vehicles, Daihatsu produces minivans, buses and two- and three-ton trucks.

The front-drive Charade rides on a 91.3-inch wheelbase, is 139.8

Please turn to Page 54, Col. 3

Olds 88 for '86



Jim Dunne

New body, new chassis, front drive

The 1986 Oldsmobile 88 will have an all-new body and chassis and will use V-6 engines exclusively. Engines will be fuel-injected 3.0- and 3.8-liter V-6s set sideways in the front-drive setup. Overall length will shrink by two feet to about 196 inches, while the wheelbase will be 10 inches shorter at 105.8 inches. Result of the shrinking will be a curb weight cut of about 400 pounds to the 3,200-pound level.

For U.S. from Daihatsu



Charade hatchback to arrive in late '87

Japanese auto maker Daihatsu plans to enter the U.S. market with its mini-hatchback Charade in late 1987. The car is the size of Chevy's hot-selling Sprint, made by Suzuki.

Introduction a success; cars sell close to sticker

Chevy Nova a winner, dealers say

By Edward Lapham
Marketing Editor

The Chevrolet Nova sales launch is gaining momentum and early dealer reaction indicates the car will be a winner, according to an Automotive News dealer survey.

Nova, the first byproduct of the General Motors-Toyota liaison, officially went on sale June 13 at Chevrolet dealerships in 25 Mid-west states June 13.

Chevrolet estimated that 5,000 to 6,000 Novas were sold the first week.

Every Chevrolet dealer contacted raved about the product and its importance to his marketing efforts, but there was a whole range of initial launch experiences which varied from store to store.

Although the data was limited and early buyers are often different from later buyers, there seemed to be some preliminary trends.

1. Most dealers reported they were getting full sticker price on the Nova.

Those dealers who said they were dealing because they wanted to move cars, claimed they were still getting "close to sticker."

2. The factory's pre-production planning mix of 60 percent automatic transmissions was a good match for first-week demand.

• In fact, there were very few complaints about option packages.

3. There seemed to be a sufficient number of vehicles in dealer inventory on launch day, although some dealers said they had only a single vehicle and had to write orders.

4. In almost every instance, dealers reported a measurable increase in showroom traffic.

However, many dealers reported that pre-weekend traffic was discouraging but heavy network advertising over the June 15-16 weekend brought dramatic increases in showroom interest.

Despite those early trends, there was no clear-cut trade-in pattern. There definitely was not the

overwhelming import conquest factor which factory officials wanted.

"We took everything in trade from an Olds Ninety-Eight to a Toyota," said Mike Weiss, general sales manager at Z. Frank Chevrolet, Chicago.

"It's too early to say for sure what the trend will be."

Weiss said there seemed to be a little higher percentage of women shoppers, as well as some apparent import shoppers.

"Response has been good, but they're not knocking doors down or crashing through the windows," he said. "But we're going to treat this car as a 'must sell' and each day is going to get stronger."

"We think it's going to snowball."

Kool Chevrolet, Grand Rapids, Mich., sold one Nova on the opening Thursday and three the following Monday, after the ad blitz.

"We didn't take any trades," said sales manager Steve Johnson. "They were all cash deals."

Johnson said Kool had 12 cars in stock on launch day and that the zone promised a wait of about 30 days on orders.

"Customers seemed to be adding a car to the family and they seemed to be regular Chevrolet

Please turn to Page 54, Col. 4

Technology studied to boost output of front-drive cars

Makers prepare for '87 HP race

By Dan McCosh
Detroit Reporter

New technology that will allow front-drive cars to accommodate high-horsepower engines is being studied carefully by General Motors, Ford Motor Co. and Chrysler Corp., according to sources close to the program.

The technology involves a viscous-drive limited-slip differential. It is expected to be offered in 1986 by BMW in a rear-drive model.

The upcoming horsepower race—anticipated by 1987, when high-

output entries are expected from most domestic manufacturers—is stretching the ability of standard front-drive transaxles and suspension systems to provide sufficient traction and control, say engineers working with the new power plants.

In 1987, Chrysler will introduce a special-bodied Dodge Daytona with approximately a 16-valve 225-HP turbocharged, intercooled version of the 2.2-liter four-cylinder engine.

The Pontiac Fiero also is expected to have a 225-HP turbocharged version of the 2.8 liter V-6, while Ford is expected to introduce a four-valve-per-cylinder version of its 3.0-liter V-6—a joint venture with Japan's Yamaha Motor Co.—likewise in the 1987 model year.

The new engines will be producing horsepower equivalent to the high-output small-block V-8s popular in the 1950s and 1960s. But with some exceptions—including the mid-engine Fiero and the rear-drive Corvettes and

Thunderbirds—most will be in cars with front-drive configurations.

While there is considerable debate over the issue, most engineers working with the standard front-drive layout common in most production cars today say that about 200 HP is the upper limit for such systems.

Above that point, both traction and so-called "torque steer" become problems. Torque steer is the phenomenon where engine torque is felt strongly in the steering wheel.

However, a new system using a viscous-drive coupling, developed by Britain's GKN, Ltd., is currently being tested by GM, Ford and Chrysler to enhance two-wheel-drive traction.

BMW reportedly will offer a rear-drive, viscous-coupled independent rear-suspension system in 1986, the first volume-production car to use the new anti-slip technology. Ford has been testing the system on the rear-drive

Please turn to Page 6, Col. 4

breaking news

GM cuts luxury-car finance rate

DETROIT.—General Motors is offering 9.9-percent financing through July 1 on its front-drive Oldsmobile 98 Regency, Buick Electra and Park Avenue and Cadillac DeVille and Fleetwood. GM said sales of luxury cars tend to slow down during the summer, and the company wants to keep the C-car momentum going. GM has 8.8-percent financing on Chevrolet and GMC half-ton and three-quarter-ton pickups. Ford Motor Co. has 8.8-percent financing on F150 and F250 pickups, and Chrysler Corp. has that rate on Dodge Lancer and Chrysler LeBaron GTS models.

Cappy named AMC executive vice president

SOUTHFIELD, Mich.—Joseph Cappy has been elected executive vice president—operations for American Motors. He had been group vice president of sales and marketing since 1984 and now will be responsible for those activities plus International, Manufacturing and Supply. He joined AMC in 1982, coming from Lincoln-Mercury Division, where he was general marketing manager.

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Gulfstream: A new path for Chrysler

By Michelle Krebs
Financial Editor

Chrysler Corp., which sold off its non-auto businesses as it teetered on the brink of bankruptcy, made its first major move toward diversification with its \$637-million purchase of Gulfstream Aerospace Corp.

Chrysler announced last week it would pay \$19 a share for the approximately 34 million shares of Gulfstream, a manufacturer of corporate aircraft. Gulfstream is based in Savannah, Ga.

The deal will be financed by \$310 million in cash and \$327 million in notes. Chrysler had accumulated \$2.9 billion in cash and marketable securities at the end of this year's first quarter.

Chrysler previously had announced it had obtained a six-month option for 20 percent of Gulfstream's stock, or 6.7 million shares, for \$127 million from Chairman Allen E. Paulson. Paulson holds 71 percent of Gulfstream's stock.

Under the acquisition agreement, Paulson will receive a combination of cash and notes valued at \$19 a share. He will remain at Gulfstream's helm for five years.

Chrysler Chairman Lee A. Iacocca said the purchase of Gulfstream "is an important step in our long-range plan to diversify into high-tech industries like aerospace and electronics, fast-growing industries like financial services, and to continue to invest heavily in the automotive industry."

Iacocca called Gulfstream "a great American company" whose product sets the standard for the industry worldwide.

He noted that Gulfstream was particularly attractive since it had remained profitable and even experienced growth through the recent recession while others in the aircraft industry did not.

For that reason, analysts have viewed Gulfstream as a plum, ripe for a takeover by other aircraft companies. In addition, its stock has sold below \$19 per share, the price at which it opened when the

Please turn to Page 52, Col. 1



Chrysler passes 100,000 mark at Sterling Heights

Chrysler Corp.'s Sterling Heights (Mich.) assembly plant has produced its 100,000th passenger car, a silver 1985 Chrysler LeBaron GTS. In the milestone car are Durward W. Roller, plant manager, and new owners Susan and Chester Bonk, of Milan, Mich. The plant was acquired from Volkswagen of America in April, 1983.

2nd Austin Rover car set for North America

By Richard Feast
European Editor

LONDON.—The British Government's approval June 17 of BL's corporate plan—on which it had been sitting for six months—will provide Austin Rover with a second car line for the fledgling North American sales operation.

This second car, to be developed in collaboration with Honda of Japan like the forthcoming XX luxury model, is being referred to here as YY. The medium-range car will be launched "in the late 1980s," which would indicate a U.S. introduction date of around 1990, or three years after XX reaches North America.

The U.S. introduction of the Austin Rover Group's XX is scheduled for the 1987 model year (Automotive News, May 13).

Other key elements of the BL strategy include assembly by Austin Rover of other Honda models (possibly the Civic) for sale in Europe by Honda, and development of a new small engine to replace

the venerable A-series which powers the Metro and some Maestro and Montego models.

After the announcement in the House of Commons by Trade and Industry Secretary Norman Tebbit, Austin Rover Chairman Harold J. Musgrove and Honda Motor Co. Chairman Noboru Okamura signed a statement of understanding.

The fourth element of that understanding contains a fair degree of Japanese inscrutability. It says, "Honda will study the feasibility of the possible establishment of an engine manufacturing plant in Swindon. The engines to be considered for production there would be supplied to ARG (Austin Rover Group) for installation in the Honda vehicles to be built by ARG and in the Rover 213."

The likelihood of Honda building engines at the recently acquired 330-acre site at Swindon has been raised before (Automotive News, Feb. 18), but has always been denied. But without using U.K.-built engines, it is difficult to see how Honda can achieve 70 percent local content for the models that ARG is to assemble on its behalf.

No volume has been put on this assembly operation, but the volume would have to be substantial to justify an engine plant at Swindon. At present, powertrains for the Honda Civic-sedan-based Rover 213 series are sourced from Japan.

At first glance, there would seem to be a duplication in effort between a U.K. Honda engine factory and the \$325 million decision in the BL plan to replace the A-series engine: Both are four-cylinder engines of about 1.3-liter displacement.

One possibility is that Honda will concentrate on producing power units (for itself and ARG) in the 1.3-liter and 1.6-liter category, while ARG's new engine—known as the K-series—will be a smaller-displacement unit of 750 cc to 1 liter, possibly in three-cylinder form. Again, it would be used by both companies.

Such an arrangement would be a logical extension of the mutual design, development and production being undertaken for XX and

Please turn to Page 52, Col. 2

Japanese push import stockpile to 27-month high

By Kathleen Hamilton
Assistant Managing Editor

Japanese car makers continued pumping up their inventories last month, inflating the stockpile of all new imported cars at dealerships and ports to a 27-month high.

But the cars sold as fast as they were unloaded, and the June 1 days' supply fell back to 29 days—the same level it was two months ago.

There were 297,000 import cars in stock as June opened, the highest count since March 1, 1983, when there were 316,745. At the beginning of May, the count was 262,444. That was good for 34 days. On June 1, 1984, the count was 213,780, a 23-day supply.

Nearly all the increase since last month was due to extra Japanese cars allowed by relaxed quotas. The Japanese inventory stockpile was up about 30,000 units.

Import-truck inventories on June 1 stood at 92,815 units, the lowest level in nine months. The truck stockpile last dipped lower on Sept. 1, 1984, when there were only 75,352 units in stock. The month-ago stockpile was 90,286; year-ago, 73,652. Import-truck figures include Nissan's U.S.-built units.

The June 1 truck stockpile was good for 31 selling days, the lowest in four months. On May 1, there was a 32-day supply of trucks. On June 1, 1984, there was a 29-day supply.

Combining cars and trucks, the total import inventory on June 1 was 389,815 units, a 29-day supply. One month earlier there were

352,730 import vehicles in inventory, a 34-day supply. On June 1, 1984, the count was 287,432, a 24-day supply.

Nearly all the lines that increased their days-supply figures this month did so purposely; few of the increases were due to decreased sales rates. Most import-

Please turn to Page 54, Col. 1

IMPORT STOCKS

	June 1, 1985	May 1, 1985	June 1, 1984
Chevrolet	80	88	107
Chrysler	75	59	59
Honda	7	9	13
Isuzu	82	71	67
Mazda	20	16	13
Mitsubishi	28	31	25
Nissan	28	37	18
Subaru	22	18	14
Toyota	9	15	10
JAPANESE MODELS	20	23	15
Audi	70	95	51
BMW	87	65	54
Mercedes-Benz	35	41	19
Porsche	56	56	21
Volkswagen	51	78	68
GERMAN MODELS	59	70	50
Alfa Romeo	26	39	89
Jaguar	23	22	17
Peugeot	85	71	46
Renault	261	192	232
Saab	50	42	52
Volvo	46	53	44
OTHER MODELS	46	55	52
TOTAL IMPORTED CARS	29	34	23
Chrysler	46	40	102
Isuzu	82	58	59
Mazda	19	20	14
Mitsubishi	41	17	48
Nissan	34	27	26
Toyota	23	33	18
TOTAL IMPORTED TRUCKS	31	32	29
TOTAL IMPORTED VEHICLES	29	34	24

* Includes domestic-made trucks.

Metrix damage award thrown out by court

By Jake Kelderman
Washington Reporter

BALTIMORE.—A federal judge here has thrown out a \$7-million jury award to Metrix Warehouse for damages it allegedly suffered at the hands of Mercedes-Benz of North America.

The damages stemmed from an allegedly illegal tie between the MB franchise and original-equipment parts sales.

Judge Edward S. Northrup said the jury had not adequately taken into account the legitimate purposes and needs of the auto company in deciding on the award. The award was three times the \$2.3 million Metrix said it suffered in actual damages.

In ordering a new trial on the damages issue, however, Judge Northrup did not reverse the jury's more-important original finding that Mercedes-Benz did violate Section 1 of the Sherman Antitrust Act; that is, illegally tying its parts sales to new-car sales.

The independent parts warehouse had contended that by specifying only original-equipment Mercedes-Benz parts to its dealers, the company had significantly impinged on the warehouse's ability to compete.

Mercedes-Benz had held that the tying arrangement was necessary to preserve goodwill with its customers by protecting the quality of Mercedes-Benz automobiles.

The original jury decision, handed down April 18, was lauded by the aftermarket as a victory for consumers and a warning to the Japanese and other makers "whose parts policies tend to parallel those of Mercedes."

The aftermarket maintains its parts are the equivalent of original-equipment parts and should not be discriminated against by manufacturers.

Dale Cooter, attorney for Metrix Warehouse, said the decision by Judge Northrup would be appealed to the Fourth Circuit Court of Appeals.

A spokesman for MBNA said that while the company was pleased by the judge's decision regarding the jury's damage award, it plans to appeal the antitrust decision.

In addition to overturning the jury's damage award, Judge Northrup also overturned its holding on a related matter in which MBNA had counter-claimed that Metrix had illegally induced dealer parts managers, through coupons redeemable for gifts from a catalog, to buy from it in violation of the Robinson-Patman Act.

The jury had held that no such violation had occurred and MBNA had suffered no damages.

The Metrix Warehouse case against MBNA was filed in November, 1979.

Aerostar may adopt independent suspension

By Dan McCosh
Detroit Reporter

Ford Motor Co. is considering a fully independent rear suspension for its rear-drive Aerostar minivan. Automotive News has learned.

The move would solve one of the major disadvantages of Ford's existing rear-drive layout, compared with Chrysler's front-drive van: The high floor needed to clear a conventional solid rear axle.

The configuration Ford is studying would be a fully independent rear axle, featuring composite springs and a new type of limited-slip differential. Unlike the solid rear axle, which needs additional clearance under the load floor, independent suspension requires clearance only for the wheels—which means the floor could be lowered as much as six inches.

Improved ride, handling and traction also are cited as advantages of independent rear suspension, although the additional cost

is rarely seen on commercial vehicles. But by offering some of the advantages associated with front-wheel drive, without its major disadvantage—fwd's poor load-carrying ability in truck applications—-independent rear suspension is appealing to Ford's minivan development team.

The system Ford is considering is similar to the suspension on current Corvettes. It would be one of the most sophisticated rear suspensions ever considered for a rear-drive van.

The program parallels current design efforts to enhance the "car-like" qualities of minivans, as both domestic and foreign vans win more acceptance among former car and station wagon buyers.

Ford is alone among the domestic manufacturers without an active front-drive van program at the current time, although it is considering importing a Japanese-built front-drive van from Mazda in the 1987 time frame.

But drop in retail loan rates will take time

Lower prime to cut floorplan cost

By Mitchell Krebs
Financial Editor

The reduction in the prime rate translates into an immediate lower rate for dealers on floorplan financing, but dealers shouldn't expect a sudden onslaught of showroom traffic because retail rates will take time to drop.

Major banks across the U.S. last week cut their prime lending rate one-half a percentage point to 9.5 percent. The prime is tied to other lending rates.

It was the first time since 1978 that the prime had fallen below 10 percent. It was the third cut this year, and it is expected to be followed by a drop of at least another one-half a percentage point.

The prime was 12.5 percent at this time last year and was as high as 20.5 percent in 1980 and 1981.

John Gilker, marketing manager for Ford Motor Credit Corp., said dealers will immediately feel a favorable impact from the lower prime in terms of floorplan financing.

G. Thomas Patton, executive vice president of General Motors Acceptance Corp., added that dealers will benefit from lower rates on other financing, including real estate and working capital loans, which are tied to the prime.

However, a drop in consumer loan rates including car loan rates may be slower in coming.

Dealers often complain that downward movements in car loan rates lag far behind a drop in the prime rate. The lag can be three to six months. But consumer rates rise quickly if the prime moves upward.

Nevertheless, lenders contend they cannot forecast interest rates over the life of the car loan, which averages 18 to 30 months.

They generally do not tie consumer loan rates to the prime rate; instead, they use longer-term measures such as the 18- to 30-month U.S. Treasury Bill rate.

Consumer loan rates also are dependent upon other factors including marketplace competition.

Nevertheless, GMAC's Patton contended that the lower prime will put pressure on lenders to drop consumer rates.

Aside from dealer floorplan financing, the auto makers' captive finance companies will benefit from a lower prime when forced to offer financing incentives on slower-selling models.

• The companies recently have offered 8.5 percent or 8.8 percent financing on some vehicles, though many of those programs have expired.

A lower prime rate makes it less expensive for the finance companies to offer the incentives.

The difference between the rate the captive finance companies offer, which is tied to a number of factors including the consumer loan rates, and their cost of funds, which is dependent upon the

prime rate, has to be subsidized by manufacturing profits. When the prime drops, the gap is narrowed.

As for the general economy, analysts said the lower prime could push the dollar lower in relation to other currencies, and, in fact, the dollar tumbled when banks announced the lower prime rate. Auto manufacturers in particular have complained that high interest rates and the subsequent high dollar have given foreign car companies an unfair advantage in the marketplace.

Other analysts say the prime-rate reduction reflects the general weakness in the economy. Economic activity in the traditional sectors of farming and manufacturing have been nearly stagnant for the past year.

Some, however, say the downward movement of the prime followed by other rate reductions could stimulate the economy by encouraging borrowing for consumer spending.

Nissan Z-car inquiry upgraded by NHTSA

By Jake Kelderman
Washington Reporter

WASHINGTON.—NHTSA has upgraded its investigation into an alleged sudden acceleration problem in 1980-1985 Nissan 280-ZX and 300-ZX sports cars following reports of some 60 incidents in which the condition occurred.

In moving the inquiry from "preliminary investigation status" to an "engineering analysis," the safety agency has indicated that the possibility of a safety-related defect exists.

In California, a Nissan spokesman said the company had completed its own investigation and had notified NHTSA that it knows

of no defect in the product that could cause the alleged condition.

Nissan has sold more than 300,000 of its Z-series models since 1980.

In addition to upgrading the Nissan Z-car matter, NHTSA also has opened investigations into alleged unwanted acceleration in 1983-1984 Renault Alliances and Encores, alleged engine compartment fires in 1985 Audi 5000s and alleged front-seat-belt retractor problems in 1982-1983 Toyota Celicas and Tercels and 1983-1984 Chevrolet Camaros and Pontiac Firebirds.

At the same time, NHTSA dropped two investigations it had been conducting. They involved an alleged horn problem with 1982-1984 Buicks and a hatch and trunk-lid problem on Chevrolet and Pontiac X-cars and 1979-1982 General Motors large cars.

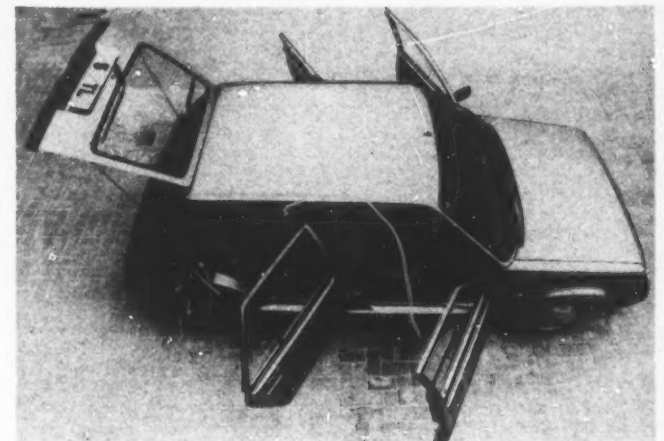
The safety agency said those were not "safety-related" defects. A spokesperson for the agency said that reports it has had of

Please turn to Page 54, Col. 2



Renault's five-door 5

Five-door versions of the new generation Renault 5 have been introduced in France. The car has a longer (2.3 inches) wheelbase than the original three-door which made its debut last fall. The new car is expected to boost Renault sales, especially in southern European markets where five-doors sell well.



Renault to trim output, cut French workforce

By Jean-Jacques Renaux
Special Correspondent

PARIS.—Renault will cut its Car Division workforce in France by 21,000 by the end of 1986 and will also reduce its car production worldwide from 2 million units a year to some 1.6 million.

In addition, Renault will trim its investment programs from some 9 percent of sales last year to 6 percent this year.

Renault officials insist, however, that they will not pull out of American Motors.

Decisions to reduce the work force and production came out of an extraordinary board meeting held last week. Renault officially confirmed the job-cutting, while the other, more significant items became known a day later.

Those complementary measures were circulated on a confidential basis to the board. They provide for the first time a clear indication of President Georges Besse's strategy for turning around the Renault Group, which last year posted a loss of \$1.34 billion.

Renault's goal will be to lower its break-even point and refocus investments on the Car Division in France. Today, 75 percent of the company's investments are made in France, 14 percent in the rest of Europe and 11 percent in the rest of the world.

From now on, the distribution will be 85 percent in France, 10 percent in the rest of Europe and 5 percent in the rest of the world. Those investments will be concentrated on renewing the car lines and improving productivity and quality.

According to the new management, Renault's break-even point now is more than 2 million cars a year. Production capacity is about

2 million, and actual car production this year will be around 1.6 million or less.

Besse reportedly doesn't believe that the European market will pick up significantly in the near future, nor that Renault can increase its market share consistently. His goal will be to lower the break-even point to 1.2 million cars and sell 1.6 million with a decent profit margin.

This strategy is reminiscent of what was done successfully at Fiat from 1980 to 1984. It is known that this policy was suggested to former president Bernard Hanon in mid-1984 by Stephane Doblin, who participated in the Fiat turnaround before joining Renault early last year. It seems that Doblin and the Fiat Model have found a more receptive audience in Besse.

The "Besse Plan," as it is referred to in France, still leaves many questions: What will be the consequences for Renault's operations outside the country? Will the company close any plants, drop any model range?

The plan proposed by Besse defines the objectives, a company official said. Now the new management will go on studying the ways and means, while trying to avoid any plant closures. It will probably take a few months before Besse can be more specific on those points.

Before the end of next year, the U.S. company will get a federalized version of the Renault 18 replacement, due to be launched in France by early 1986.

The model will be adapted to the U.S. market and assembled in Renault's Vilvorde plant in Belgium, where the aborted AMC 52

Please turn to Page 54, Col. 1

Tennessee land deal: A Saturn, Nova tie?

NASHVILLE.—A Nashville attorney reportedly is obtaining options on parcels of land in Tennessee for General Motors. Speculation is that GM will use the land for construction of its \$5-billion Saturn plant or a second plant to produce the GM-Toyota Nova model.

According to newspapers here, Nashville lawyer McIn P. Davis Jr. is negotiating options to buy more than 1,000 acres of Maury County farmland.

Davis' law firm handled a major

part of the legal work involved in Nissan USA's acquisition of 782 acres for the plant in Smyrna, Tenn., not far from the land in which GM supposedly has an interest.

Davis would neither confirm nor deny the reports, saying that he could not discuss a client's business.

GM also refused to confirm or deny the reports.

A GM spokesman said that it will be at least several weeks if not several months before any announcement would be made regarding Saturn.

Adding to the speculation was a recent meeting in Memphis that brought together GM Chairman Roger B. Smith, Tennessee Gov. Lamar Alexander and former U.S. Senate Majority Leader Howard Baker Jr., of Tennessee.

Meanwhile, New United Motor Mfg., Inc., the joint venture between GM and Toyota, is producing its small-car, the Nova, only at the Fremont (Calif.) plant.

Since the car was introduced June 13, sales have exceeded the number of cars shipped. The plant isn't expected to be at full capacity of 240,000 vehicles per year until next spring. A second shift will be added by year-end and by March production is scheduled to be at 20,000 a month.



Fill'er up

Peter G. Guptill, vice president—U.S. sales for American Motors, explains the company's new 10,000 Miles of Gas on Us program to the news media. Buyers of new Renaults from June 16-July 31 will receive checks for the equivalent of enough gas to drive the first 10,000 miles.

index

Advertising news	17
Auction reports	40, 41
Classified advertising	42
Editorial page	10
Production by makes	55
Registrations, car	30, 36
Registrations, truck	16, 24, 32, 50
Truck highlights	18

60th year—No. 5080

AUTOMOTIVE NEWS (ISSN 0005-1561) is published weekly except semi-weekly the fourth week in April at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.